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Japan

Tokyo Supports Allied Ground Attack on Iraq

OW2102031191 Tokyo KYODO in English 0248 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Japan will fully back the United States if U.S.-led multinational forces launch a ground offensive to free Kuwait from Iraqi occupation, a government source said Thursday.

The source said Tokyo will stand by Washington even if a ground campaign comes after Iraq agrees to the latest Soviet proposal to end the Gulf war and leaves Kuwait. "Japan will back the United States, and not the Soviet Union," the source said.

The source outlined the Japanese Government position in reaction to a report from Rome that Italian Prime Minister Giulio Andreotti has expressed support for the Soviet peace proposal.

The United States and Britain have said the Soviet initiative, which Soviet President Mikhail Gorbachev gave, includes a ceasefire.

U.S. Secretary of State James Baker on Wednesday gave further impetus to reports that a ground war may come any time, saying "Kuwait will be liberated soon."

Foreign Minister Comments

OW2102075891 Tokyo KYODO in English 0718 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Foreign Minister Taro Nakayama on Thursday described a Soviet move to end the Persian Gulf war as "reconciliatory."

A well-placed government source said, however, that Japan will still back a ground offensive even if Iraq decides to pull out from Kuwait in line with the Soviet proposal.

The apparently contradictory signals came as the countdown intensified toward a full-scale allied ground offensive to force Iraq out of the Emirate it invaded on August 2.

Nakayama told the Diet, "The Soviet Union has an intimate relationship with Iraq, and I believe that the (Soviet peace proposal) was a step of reconciliation toward the implementation of U.N. Security Council resolutions."

He made the remark before the budget committee of the House of Representatives during a debate on the government's Persian Gulf policy.

Soviet President Mikhail Gorbachev put forward the peace proposal during a meeting with Iraqi Foreign Minister Tariq 'Aziz in Moscow on Monday.

Iraq announced on Wednesday that it was sending 'Aziz back to Moscow "soon" to deliver its reply to the Soviet proposal, but the United States and Britain have said the Soviet initiative is insufficient for a ceasefire.

U.S. Secretary of State James Baker on Wednesday gave further impetus to speculation that a ground war may begin at any time, saying, "Kuwait will be liberated soon."

The government source said Japan will fully back the U.S. if U.S.-led multinational forces launch a ground offensive to free Kuwait from Iraqi occupation.

Tokyo will stand by Washington even if a ground campaign comes after Iraq agrees to the Soviet proposal, the source said. "Japan will back the United States, and not the Soviet Union," he said.

A Foreign Ministry source, however, took exception to the position as outlined by the government source.

Japan's basic stance on the war remains the same as before, in that it is demanding that Iraq comply with the U.N. resolutions calling on it to withdraw from Kuwait immediately and unconditionally, and the government "still has no position" on specific initiatives made by specific nations, the Foreign Ministry source said.

The government source also said that Japan will not offer aid that would strengthen Iraqi President Saddam Husayn, and any Japanese assistance would be limited to humanitarian areas.

The source added that Japan will not take the initiative in launching reconstruction efforts after peace returns to the Gulf. "We will watch how other countries respond, and then act in cooperation," he said.

Prime Minister Toshiki Kaifu has cited economic assistance to Iraq and other countries in the region as one of the main areas for Japan's participation in postwar peace efforts.

The other areas are joining international discussions on the Palestinian issue, establishing a system of arms control, and helping clean up the oil spill in the Gulf.

Foreign Ministry Officials To Visit Mideast

OW2002144191 Tokyo KYODO in English 1335 GMT 20 Feb 91

[Text] Tokyo, Feb. 20 KYODO—The Japanese Government is sending senior Foreign Ministry officials this week to four Middle East countries and Algeria to discuss the Persian Gulf war, ministry officials said Wednesday.

Deputy Foreign Minister Koji Watanabe will take letters from Prime Minister Toshiki Kaifu to the leaders of Syria, Egypt, Saudi Arabia, and Algeria. Watanabe is scheduled to leave for Syria on Friday. Another deputy foreign minister, Hisashi Owada, will visit Israel starting Saturday to meet with Foreign Ministry officials.

Vice Foreign Minister Takakazu Kuriyama said he hopes Watanabe's trip, aimed at expanding relations with Middle East nations, will contribute to Tokyo's possible cooperation in forming an international order when the Gulf war ends.

Owada's visit, originally set as part of regular vice-ministerial level talks, will be used as an opportunity to discuss how to resolve regional problems impeding peace, apparently in reference to the Palestinian issue. Owada, who met with Soviet Foreign Minister Aleksandr Bessmertnykh in Moscow earlier this week, will deliver a

message from Foreign Minister Taro Nakayama to his Israeli counterpart David Levi.

In a public lecture in Tokyo, Kuriyama renewed Japan's commitment to a four-point policy for a postwar Gulf—establishing a regional security framework, arms reduction, economic reconstruction, and resolution of the Palestinian issue—as articulated in a Diet speech by Nakayama last month.

Kuriyama stressed that Japan, unlike other major industrialized nations, was not involved in arms shipments and could therefore make unbiased proposals for regional arms reduction, in both conventional and mass-destruction weapons. But he said "outside" nations such as the U.S., European countries and even Japan, should not impose a postwar framework upon the Gulf region, and instead should support security initiatives made by regional countries. He said forced imposition of a new order would be the cause of fresh tension.

Kuriyama said economic assistance will be of great importance after the war, with Kuwait as a first priority, followed by frontline nations such as Jordan, Egypt and Syria, who have been hit hard by the war. He noted consideration must be made of Japanese assistance to Asian nations also affected, including the Philippines, India, and Pakistan.

Official Doubts Iraq To Withdraw Unconditionally

OW2002141691 Tokyo KYODO in English 1316 GMT 20 Feb 91

[Text] Tokyo, Feb. 20 KYODO—A top Japanese Foreign Ministry official on Wednesday expressed pessimism that Iraq will withdraw unconditionally from Kuwait as the world awaits Baghdad's reply to a Soviet plan to end the Persian Gulf war.

The high-ranking official, speaking on condition of anonymity, said he is "not optimistic" that Iraq will make such a move, despite its reference last Friday, for the first time, to the possibility of leaving Kuwait. He declined to offer any evaluation of the Soviet peace plan, saying only that Japan's stance is to demand that Iraq implement United Nations Security Council Resolution No. 660, demanding an immediate and unconditional pullout of Iraqi troops from Kuwait. The official said Iraqi Foreign Minister Tariq 'Aziz's reported plans to return to Moscow with an Iraqi reply to the Soviet peace plan may be a delaying tactic.

'Aziz, who received the plan Monday from Soviet President Mikhail Gorbachev, returned to Baghdad to present it to President Saddam Husayn. 'Aziz was reportedly ready to leave again for Moscow as early as Wednesday with Husayn's reply to the proposal.

Japan shares the U.S. position that it is unacceptable to attach any conditions to an Iraqi withdrawal from Kuwait, he said. He said any Soviet-Iraq agreement on a withdrawal would be meaningless unless Baghdad makes a clearly visible move to begin pulling its forces out of Kuwait.

The official called Iraq's dispatch of Deputy Prime Minister Sa'dun Hammadi to China as merely an attempt to divide international opinion on the war. Chinese Premier Li Peng reportedly told Hammadi that Iraq must leave Kuwait immediately.

Commenting on the possible commencement of an allied ground campaign, the official said he presumes it would not start before Iraq replies to the Soviet plan. He said, however, that Baghdad must give its answer very quickly, because the allies will not wait very long.

USSR Links Gulf Security to Coalition Pullout

OW2102115891 Tokyo KYODO in English 1144 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—The Soviet Union links the post-Persian Gulf war pullout of U.S.-led allied forces to establishment of a new security framework in the Middle East, Soviet sources in Tokyo said Thursday.

The sources also expressed concern over the scale of the war, as there is some Soviet sentiment the ongoing allied air campaign against Iraq already exceeds the U.N. resolutions.

They said the United States and other allied nations must be reminded of their previous announcements that their troops would withdraw from the Gulf area once the crisis is over.

Moscow's stance is that in the course of creating a new order, regional nations, including Iraq, should play a decisive role.

The sources said the Kremlin thinks it crucial that "Arab factors," referring to political initiatives among Arabs, must be central in setting up the postwar framework, as well as dealing with the current crisis.

But they said the United Nations, especially the permanent membership of the U.N. Security Council, is also expected to play a considerable role. The Soviet Union shares permanent membership with the U.S., France, Britain, and China.

A U.S. Embassy official in Tokyo conceded that U.S. President George Bush and other government officials have said allied troops would be withdrawn as soon as possible when the war is over. But the official noted that would mean the pullout takes place after regional stability is secured. He said it probably does not necessarily mean all the allied troops would go home if Iraq announces its intention to quit Kuwait.

The Soviet sources said Moscow seeks revival of an independent Kuwait and assurance of Iraqi territories after the war, while noting that it wants a postwar international peace forum for settling comprehensive Middle East questions, including the Palestinian problem.

On possible postwar arms reduction in the region sought by Japan, the sources said there have been in the past Moscow-Tokyo talks on the issue, though not limited to the Gulf area.

USSR Assails Study of Islanders' Status

OW2102122291 Tokyo KYODO in English 1155 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Soviet diplomatic sources Thursday criticized a Japanese cabinet member's proposal for a study on what the legal status of Soviet citizens living on four Soviet-held islands off Hokkaido would be if the islands are returned to Japan.

This kind of study could chill Soviet-Japan ties before Soviet President Mikhail Gorbachev's planned April 16-19 visit to Tokyo, the sources said, quoting a Japanese saying, "don't sell the raccoon dog's skin before you catch him."

Justice Minister Megumu Sato proposed last Tuesday that a study be launched on the status of Soviet residents on Etorofu, Kunashiri, Shikotan, and the Habomais east of Hokkaido after they are returned to Japan.

The proposal, which Sato made during a cabinet meeting in his "personal capacity," involves protection of Soviet citizenship and property rights, according to the justice minister.

Some 13,000 Soviet nationals live on the former Japanese territories, which the Soviets seized in the closing days of World War II. Japan claims sovereignty over what it calls the northern territories.

The Soviet sources also said Gorbachev may visit the Soviet far east en route to his Tokyo visit but said he will not Visit the northern territories.

DPRK Asks LDP To Mediate Team Spirit Issue

OW2102073691 Tokyo KYODO in English 0703 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—A senior member of the North Korean ruling party asked a Liberal Democratic Party (LDP) counterpart on Thursday to help persuade South Korea to suspend military exercises with the United States for a few years, LDP sources said.

Kim Yong-sun, a secretary of the Korean Workers' Party (KWP), suggested in a meeting with Michio Watanabe, a former chairman of the LDP's policy research council, that the annual "Team Spirit" war drills be suspended for two or three years to create an atmosphere conducive to dialogue between the two Koreas, the sources said.

"It is impossible to talk about improving relations while bombs can be heard exploding," he was quoted as telling Watanabe, leader of the LDP's fourth-largest faction, the sources said.

Kim, here since Wednesday as leader of a 35-member KWP delegation, urged Watanabe to relay the message to South Korean politicians, the sources said.

Earlier this week, North Korea called off a fourth round of prime ministerial talks with South Korea, scheduled to start on February 25 in Pyongyang, accusing the U.S. of disrupting the talks with its "Team Spirit" military exercises. Since the exercises were launched in 1976, Pyongyang has often cited them as a reason for postponing contacts with Seoul.

Asked by Watanabe about the prospects for unification of Korea, Kim said that President Kim Il-song is seeking reunification in the 1990s, "but it depends on South Korea's conduct."

Watanabe urged North Korea to take a "practical approach" in its contacts with South Korea, and cautioned that focusing on ideological differences will only delay improving relations.

Mutsuki Kato, chairman of the LDP's policy research council, in a separate meeting urged Kim to take note of economic successes in South Korea, and suggested that North Korean politicians put greater importance on economic prosperity for their citizens.

Kim countered that North Korea is largely self-reliant in food and production of other basic necessities. Kim, a close aide to Kim Il-song, rejected Kato's suggestion that unified Germany may be a useful reference for the Korean peninsula. "The Korean situation is different from Germany. We are advocating unification that maintains the two different systems of government intact," he said.

South Korean observers say Seoul envisions merging with North Korea patterned after the German experience, whereby the East German Government and its centrally planned economy became defunct.

The KWP delegation is here through next Wednesday at the invitation of the LDP and the opposition Social Democratic Party (SDP), formerly the Japan Socialist Party.

The visit reciprocates a joint LDP and SDP trip to Pyongyang last autumn during which the three parties agreed to press for negotiations on establishing diplomatic relations between Japan and North Korea for the first time since the Korean peninsula was partitioned in 1945.

The two governments launched the first round of negotiations for normalizing relations last month.

Telephone Service to PRC To Begin in Mar

OW2102111191 Tokyo KYODO in English 0829 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—International Digital Communications Inc. (IDC) has applied to the Ministry of Posts and Telecommunications for permission to begin telephone service between Japan and China in March, industry sources said Thursday.

IDC has already signed an agreement with China's Ministry of Posts and Telecommunications, the sources said.

The international telephone carrier will charge users 730 yen for three minutes during the daytime, 30 yen less than Kokusai Denshin Denwa Co., Japan's largest international telephone carrier, they said.

Telephone traffic between Japan and China has been growing at the annualized rate of over 50 percent in recent months.

Former Hungarian Prime Minister Interviewed

OW1902151091 Tokyo NHK General Television Network in Japanese 1241 GMT 19 Feb 91

[Interview with former Hungarian Prime Minister Miklos Nemeth, vice president-designate of the European Reconstruction and Development Bank, by correspondent Hatsuhisa Takashima; place and date not given—recorded, in English with Japanese subtitles; translated from the English]

[Text] [Nemeth] The industrialized world—the Western countries and even Japan—is so preoccupied with the Gulf war situation and its repercussions that later, when it again considers the East Central Europe situation, it may be too late. I say this because the peoples living in that region are losing patience, not because of the decline in the standard of living of the last 10-11 years, but because they have been cheated many, many times in this century. If this experiment, this whole reform process, subsequently fails, I think it will be a real nightmare—not only for the people there, but for the whole world.

[Takashima] What do you think of the Soviet Union's current situation?

[Nemeth] Economically weak, collapsed Soviet Union, and politically disintegrating Soviet Union, a country that is bulging with a huge amount of nuclear weapons from the Baltic to the Pacific. [sentence as heard] This is a real nightmare. If these nuclear weapons are in the hands of different factions with different nationalities fighting each other, this will be a real nightmare, not only for you and for us in Eastern Central Europe, but for the whole world. Therefore, it is in the world's interest for the Soviet Union to go through a peaceful transition; otherwise, a vacuum will result. An unbalanced situation is not desirable.

[Takashima] Finally, please comment on the future of Hungary-Japan relations.

[Nemeth] You know, without your help, technical assistance, different kinds of aid—training assistance, management assistance, and so on—we cannot solve our problems. We are facing one huge problem: how to create a market economy after 45 years of common Stalinist type of economy and economic policy. This whole reform process needs not only patience and not only a very good, reform-minded leadership, but lots of money. Without your money, without your help, we cannot solve this huge problem facing Eastern Central Europe.

Meets With Kaifu

OW2102045991 Tokyo KYODO in English 1320 GMT 20 Feb 91

[Text] Tokyo, Feb. 20 KYODO—Former Hungarian Premier Miklos Nemeth told Prime Minister Toshiki Kaifu on Wednesday the confusion surrounding economic reforms in the Soviet Union could have a severe impact on countries in Eastern Europe, a Foreign Ministry official said.

Kaifu told Nemeth he supports perestroyka, or economic restructuring, and pledged to do his utmost to support the European Bank for Reconstruction and Development (EBRD), a new development bank aimed at revitalizing the economies of Eastern Europe.

Nemeth will serve as deputy governor of the London-based bank when it starts operations in April.

Japan is to provide 8.5 percent of the capital for EBRD.

Marubeni Signs Agreement With Austrian Firm

OW2102104291 Tokyo KYODO in English 0758 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Marubeni Corp. on Thursday signed an agreement with Austria's largest state-run company group, Austrian Industries AG (AI), to establish broad-based business ties to cooperate in the international marketplace, company officials said.

The Vienna-based AI holds about 450 companies under its wings, with operations including steel and aluminum production, machinery and engineering, and petroleum and chemical output.

It accounts for 16 percent of all Austrian manufacturing production, but its market is mostly limited to Europe and the Soviet Union, according to Marubeni officials.

The tie-up will enable AI to extend its market to the Asian and Pacific countries, while Marubeni can gather more business and economic information in Europe, where the European Community (EC) is to integrate its market next year, the officials said.

AI's Chief Executive Officer Hugo Sekyra and Marubeni's President Tomio Takino signed the partnership agreement Thursday in Tokyo, they said.

Concrete cooperation projects will be discussed from now, but possible programs which have been talked include selling and introducing of AI products and technologies by Marubeni in the third market, joint purchase of energy resources, and undertaking other joint projects, the officials added.

Steel Exports Down, Imports Up in 1990

OW2102104691 Tokyo KYODO in English 0656 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Japan's overall steel exports fell to a 20-year low of 17.02 million tons, while it imported a record 11.68 million tons in 1990, the Japan Iron and Steel Federation announced Thursday.

The drop in exports marked the fifth consecutive year of decline. Steel exports fell 15.7 percent from 1989, as the cash value dropped 14.5 percent to 13.35 billion dollars. Figured in yen, the decline was 9.9 percent to 1.93 trillion yen.

This was the first year since 1970 that steel exports fell below 20 million tons. In 1970 exports hit 17.98 million tons. Japan's overall steel imports jumped 7.7 percent from 1989.

Shipments to China fell 55.5 percent from 1989 to 1.75 million tons, while those to the Soviet Union went down 58.3 percent to 361,000 tons, combining to drag down the overall export figure.

The federation said Japan exported 3.22 million tons, down 6.0 percent, to the United States and 1.55 million tons to Taiwan, down 24.8 percent. Exports to South Korea also dropped 11.8 percent to 1.59 million tons.

Meanwhile, imports of pig iron, which surged 43.5 percent to 3.28 million tons, helped raise the total figure in 1990. But ordinary steel fell for the first time in five years, by 6.7 percent to 5.98 million tons.

Japan's largest steel supplier was South Korea with 2.69 million tons, down 3.2 percent, followed by Taiwan with 627,000 tons, up 16.8 percent. Brazil ranked third with 499,000 tons, down 20 percent, the United States fourth with 414,000 tons, falling 21.2 percent from 1989.

Last December, Japan exported 1.80 million tons of steel, jumping 32.9 percent from November, helped by seasonal factors, as its cash value rose 28.1 percent to 1.42 billion dollars. In the Japanese currency, it was valued at 186 billion yen, or up 30.8 percent from the month before.

In a year-on-year comparison, December shipments went up by 0.7 percent, the first rise in 25 months. The cash value was up 1.4 percent in dollars, but down 7.6 percent in yen.

The United States received the most shipments with 332,000 tons, up 14.0 percent from December 1989, followed by Taiwan with 159,000 tons, up 3.1 percent.

Exports to the Soviet Union were boosted by 135.5 percent to 53,000 tons. Exports to South Korea changed little, and those to China fell sharply.

Imports of ordinary steel in December amounted to 602,000 tons, up 4.7 percent from November, marking a gain for the third straight month. The figure was 14.9 percent higher than December 1989 and the first increase in seven months.

South Korea again supplied the most ordinary steel last December with 279,000 tons, up 20.5 percent year-on-year, and Taiwan followed with 50,000 tons, jumping 49.1 percent.

Imports from the United States also increased, but those from Brazil plunged.

Textile Trade Deficit Continues for 5th Year

OW2102110491 Tokyo KYODO in English 1028 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Japan's textile imports exceeded exports for the fifth straight year in 1990 by 8.22 billion dollars, the Japan Chemical Fibers Association reported Thursday.

Textile exports in the year amounted to 7.2 billion dollars, while imports totaled 15.42 billion dollars. The gap, however, narrowed from 9.76 billion dollars in 1989.

Association officials predicted the trend will persist because of continuing bullish exports from Southeast Asia.

Hitachi Develops Next-Generation Computer System

OW1902003691 Tokyo KYODO in English 1451 GMT 18 Feb 91

[Text] Tokyo, Feb. 18 KYODO—Hitachi Ltd. on Monday announced the development of a next-generation computer-integrated manufacturing (CIM) system based on the concept of a factory friendly to both workers and consumers.

The test-manufactured prototype next-age CIM system, consisting of three subsystems—custom-made planning, conceptive design, and flexible assembly center plus image-based operation—is centered on engineering workstations.

The custom-made planning subsystem is an interactive—conversation—type instantaneously replying to questions on such matters as the possibility of product alteration, delivery date, and price of products, officials said.

The conceptive design subsystem is a computer-aided design (CAD) type making simple design work automatic, enabling designers to develop a creative design concept, they said. In this subsystem, expert systems contained in several computers provide the designer with expert knowledge on conceptual design and legal conformity on display screens like their subordinates upon instruction.

The flexible assembly center is a robot-centered production shop that autonomously meets the specifications of products changed in response to detailed user needs.

Image-based operation is a system in which the working official may give work orders to robots in the production line from his office. These two portions constitute one subsystem.

Compared with the existing CIM system, the newly developed system has reinforced computer network and design support functions, officials said.

The new system also helps working officials in their creative work and reduces the number of working hours, they said.

Officials said Hitachi researchers will start developing an application software in fiscal 1991 for the custom-made planning subsystem so that products, manufactured by means of the subsystem, will go on sale in fiscal 1992. They said the firm has yet to decide which factory should be the first to introduce the subsystem. They indicated that the subsystem might be initially adopted at the air-conditioner plant.

The existing CIM system is going to be used at the computer, semiconductor, home appliances, motor, and heavy-duty electric machinery plants, the officials said.

Hitachi, Hewlett-Packard To Develop Software

OW2002122391 Tokyo KYODO in English 1142 GMT 20 Feb 91

[Text] Tokyo, Feb. 20 KYODO—Hitachi Ltd. and Hewlett-Packard Co. (HP) said Wednesday they have agreed to jointly develop the first phase of an artificial intelligence (AI) software program to be used on their computer workstations.

The jointly developed software application, to be called the expert system, will be user-friendly and aimed at financial institutions, securities firms, and commercial businesses, officials said.

The expert system software will be based on a Hitachi software application and developed on the HP 9000 series computer workstation, they said.

Last June, both companies began developing an integrated AI-based central processing unit using HP's multiprocessor technology and Hitachi's AI technology. They signed a technological cooperative agreement in 1989 to cover various technologies.

AI enables a computer to learn, reason, and converse in languages resembling those of humans.

Matsushita Joins U.S. Firm in IC Production

OW1802134191 Tokyo KYODO in English 1307 GMT 18 Feb 91

[Text] Tokyo, Feb. 18 KYODO—Matsushita Electronics Corp. Monday announced it has test-manufactured integrated circuits (IC) capable of making alternating current (AC) adapters much smaller, using design technology from California's Power Integrations Inc. (PI).

The new integrated circuit is a metal oxide semiconductor type with protective circuits against high temperature and excess current.

In electric power uses, it can stand up to 800 volts of electromotive force, compared with ordinary integrated circuits that can tolerate just up to 60 volts, Matsushita officials said.

The officials said the new IC will make it possible to more than halve the size of AC adapters. Such adapters may be installed in notebook-type personal computers in the future, they said.

Officials said Matsushita will supply wafers with printed circuits to PI in mid-1991 for production, and will import and distribute PI's integrated circuits.

Sony Stores More Data in Conventional Disk

OW2102121391 Tokyo KYODO in English 0815 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—Sony Corp. said Thursday it has developed a technology making it possible to increase the storage capacity of conventional magneto-optical disks by six times.

The new technology, called Irister (iris thermal eclipse reading), combined with conventional laser technology enables four gigabytes of memory to be stored on a 5.25-inch disk, officials said. These disks are expected to be in high demand for storing video processing information and computer data, they added. Four gigabytes is equivalent to four billion bytes of information.

Sony's Irister more than doubles the signal resolution of conventional optical devices without enlarging the lenses' aperture or shortening the wavelength. The technology works on the principle that the hottest portion of the beam is capable of reading the disk, the officials said.

Recording of optical signals on magnetic disks has already been achieved using the high temperature spot of the laser beam. Reducing the size of the recorded signal enables shorter intervals between signals and higher density recording.

The officials said that if blue lasers are developed in the future Irister magneto-optical disks could achieve a storage capacity 20 times that of existing disks.

NTT Develops Integrated Circuit Prescaler

OW1602044391 Tokyo KYODO in English 1423 GMT 15 Feb 91

[Text] Tokyo, Feb. 15 KYODO—Nippon Telegraph and Telephone Corp. (NTT) on Friday announced the test-manufacture of an integrated circuit [IC] for a 15-gigahertz-range modulus prescaler.

A prescaler is a scaler that extends the upper frequency limit of a counter by dividing the input frequency by a precise factor, generally 10 or 100.

The development of the IC would make a considerable contribution to the realization of next-generation high-speed, large-volume communication systems such as satellite and optical communication networks. The best existing modulus prescaler IC is a 9-gigahertz type developed by a U.S. research team, according to NTT officials.

NTT's newly developed IC has 72 heterojunction bipolar high-speed transistors and 38 resistors integrated on a gallium arsenide substrate, 1.2 millimeters long and 1.8 millimeters wide.

The officials said the achievement was reported at the International Solid-State Circuits Conference currently underway in San Francisco.

MITI To Allow Locals To Raise LPG Price

OW2102075791 Tokyo KYODO in English 0638 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 KYODO—The Ministry of International Trade and Industry (MITI) will allow local gas distributors to raise prices of liquefied petroleum gas (LPG) to offset rising costs stemming from the Persian Gulf war, a ministry official said Thursday.

Kenjiro Ogata, director general of the ministry's agency of natural resources and energy, made the remark in a meeting with top officials of companies belonging to the Japan Gas Association.

Ogata said that while he would like to see further streamlining efforts by gas distributors to contribute to maintaining stability of the gas market, the agency is willing to give due consideration to small local distributors hard hit by the rises in prices of imported LPG as a result of the Gulf war.

There are about 10 gas suppliers nationwide that especially need price hikes to meet rising costs. They wish to submit requests to the agency for permission to raise prices by the end of February, an official of the association said.

But there is also a possibility that they will withdraw the requests if it becomes clear that the price at which they buy gas will ease off, the official said.

All these distributors are quite small, with a customer base of around 10,000, he said.

They hope to boost the price of gas by about 10 percent from the current 170-190 yen per cubic meter.

The current price they charge customers is based on the domestic price of butane before the Gulf war of 32,000 yen per ton.

The butane price momentarily soared to above 50,000 yen per ton due to the Gulf crisis, but has since declined slightly.

As a result, some small suppliers have been suffering losses for the past six months, the association official said.

Companies Agree on Stricter Reactor Inspections

OW2002124591 Tokyo KYODO in English 1145 GMT 20 Feb 91

[Text] Tokyo, Feb. 20 KYODO—Nine major electric power companies agreed Wednesday to conduct stricter inspections of their nuclear power facilities.

The agreement followed an accident at the Mihama nuclear power plant, operated by the Kansai Electric Power Co., in Fukui earlier this month. It was reached at a top-level meeting of the nine companies, and called on the firms to place top priority on ensuring the safety of nuclear plants.

Plant operations will be immediately stopped when abnormal signs are detected, according to the agreement.

Sho Nasu, president of the Federation of Electric Power Companies, told a news conference the companies will faithfully implement the agreement to ensure safe operations of nuclear facilities.

North Korea

KCNA: South Dispatches Transport Team to Gulf

SK2102072091 Pyongyang KCNA in English 0546 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—The South Korean authorities committed one more anti-national criminal act of sending a puppet airforce transport team to the Gulf war on February 19 in defiance of public denunciation, according to a radio report from Seoul.

A spokesman for the puppet government of South Korea said that the dispatch of the airforce transport team would "contribute to efforts for restoring peace".

His utterances tell that the authorities are taking an active part in the Gulf war started by the U.S. imperialists and planning to put the lives of more South Korean young people on the altar of the Gulf war.

WPK Delegation Continues Visit to Japan

Meets LDP, Chongnyon Officials

SK2102003991 Pyongyang KCNA in English 1600 GMT 20 Feb 91

[Text] Tokyo February 20 (KCNA correspondent)—A delegation of the Workers' Party of Korea [WPK] headed by Kim Yong-sun, secretary of the C.C. [Central Committee], the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, arrived in Tokyo aboard a Korean plane this morning.

The plane made a direct flight from Pyongyang to Tokyo.

The delegation is accompanied by its suite and journalists.

Seen at the airport were slogans reading "Long live the great leader Marshal Kim Il-song!" and "Long live the dear leader Comrade Kim Chong-il!" and letters "Welcome to the delegation of the Workers' Party of Korea."

The delegation was met at the airport by LDP [Liberal Democratic Party] members of the House of Representatives Shin Kanemaru, former deputy prime minister, Hajime Ishii, acting president of the Foreign Affairs Research Council of the Liberal Democratic Party of Japan and chairman of the Committee for Welcoming the WPK Delegation, Takeshi Noda, deputy general secretary of the LDP and vice-chairman of the Welcome Committee; Shojo Harada, deputy general secretary of the LDP; Kunio Hatoyama, director of the International Department of the LDP; Hajime Funada, director of the Foreign Affairs Department of the LDP; Shinjiro Yamamura, former minister of transport; Masayoshi Takemura, chief secretary of the Welcome Committee, and officials concerned.

It was also met by Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon); its First Vice-Chairman Yi Chin-kyu, Vice-Chairmen Pak Chae-no, So Man-sul and Pae Pyong-tu and the director of the General Secretariat and director of the International Department and other officials of Chongnyon.

A large crowd of Koreans in Japan with miniature flags of the DPRK in their hands warmly met the delegation with feelings of kinship, loudly shouting "Long live the great leader Marshal Kim Il-song" and "Long iive the dear leader Comrade Kim Chong-il".

The party delegation was met at the hotel by members of the House of Representatives Makoto Tanabe and Watara Kubo, vice-chairmen of the Central Executive Committee

of the Social-Democratic Party [SDP] of Japan, and Director of the Information Department Taneaki Tanami, Director of the International Department Issei Inoue and Secretary General of the Committee for Measures on Korean Affairs Yuzuru Shimazaki of the SDP of Japan and other personages concerned.

Kim Yong-sun Speaks at Banquet

SK2102014891 Pyongyang KCNA in English 1543 GMT 20 Feb 91

[Text] Tokyo February 20 (KCNA correspondent)—The Liberal Democratic Party [LDP] of Japan hosted a banquet at Hotel New Otani here this evening for the visiting delegation of the Workers' Party of Korea [WPK].

Flags of Korea and Japan were hung in the banquet hall.

Invited to the banquet were the members of the WPK delegation headed by Kim Yong-sun, secretary of the C.C. [Central Committee], WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to the SPA, and suite members and reporters accompanying the delegation.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and its First Vice-Chairman Yi Chin-kyu, Vice-Chairmen Pak Chae-no, So Man-sul, Ho Chong-man and O Hyong-chin and the director of its General Secretariat were also present on invitation.

The banquet was attended by Ichiro Ozawa, general secretary of the LDP; Shin Kanemaru, former deputy prime minister; Takeo Nishioka, president of the General Affairs Council; Michio Watanabe, former minister of finance; Kazuo Aichi, director general of Environment Agency; Kei Sato, minister of justice; Satatoshi Ozato, minister of labour; Yoichi Tani, director general of the Hokkaido and Okinawa Development Agency; Shinjiro Yamamura, former minister of transport; Toshio Yamaguchi, former minister of labour; Takashi Hasegawa, former minister of justice; Keiwa Okuda, former minister of home affairs; Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP and chairman of the Welcome Committee for the WPK Delegation; Takeshi Noda, Shojo Harada and Michiko Kano, deputy general secretaries of the LDP; Kunio Hatoyama, director of the International Department of the LDP; and other Liberal-Democratic members of the House of Representatives.

Speaking first at the banquet, Hajime Ishii said while the visit to Korea by the LDP delegation led by Mr. Shin Kanemaru in September last year opened a door wide for Japan-Korea relations, the current visit to Japan by the WPK delegation has become a visit of historical significance in building a greater bridge on it.

Ichiro Ozawa in his speech sincerely welcomed the WPK delegation and pointed out that a historical exploit of making a breakthrough in the Japan-Korea relations was performed thanks to the patient efforts of the two sides during the Korea visit of Mr. Shin Kanemaru last year.

He recalled that he participated in the celebration functions of the 45th founding anniversary of the WPK in October last year and met with President Kim Il-song, thus making a great contribution to expanding exchange between the LDP and WPK.

There is need to develop the intergovernmental full-dress talks for the normalization of Japan-Korea diplomatic relations into constructive Japan-Korea relations, into genuine friendly relations, he said, hoping for normalization of diplomatic relations as early as possible.

Speaking next, Shin Kanemaru said many Japanese people came to have the thought that Korea which had been felt so far as a far-away country should be made a near and close country.

It is important for Japan and Korea to expand exchanges in cultural, economic and all other spheres, he remarked.

In his speech, Kim Yong-sun said:

The Korea visit of a delegation of the Liberal Democratic Party led by respected Mr. Shin Kanemaru in September last year and the agreements reached then marked a good occasion in liquidating the past abnormal relations between the two parties and two countries and establishing new good-neighbourly and friendly relations.

At the significant time unprecedented in the history of the Korea-Japan relations, our party delegation began its first historic visit to your country today at the kind invitation of the LDP.

There may be differences in ideology, system and idea among people, but they can never be an obstacle to the establishment and development of relations between different parties and countries. If one adheres to the principle of independence, equality, mutual respect and mutual benefit, one can easily establish friendly relations of good neighbourhood and develop them favorably.

The consistent foreign policy of our party and government is to establish and develop friendly relations with all parties and states that respect our party and the sovereignty of our state.

We have always kept the door open to all parties and countries that are friendly to our country.

We will further deepen the friendly relations already established between the WPK and the LDP on the principle of independence, equality and mutual benefits and develop mutual visits and exchanges with it.

To develop the friendly and good-neighborly relations between the WPK and the LDP not only accords with the interests of the peoples of the DPRK and Japan but also is beneficial to the building of a free and prosperous, new Asia.

Touching on the reunification question of Korea, Kim Yong-sun said:

In the situation of our country where two different systems exist in the North and the South, it must be reunified by means of confederation based on one nation, one state, two

systems and two governments on the principle of neither side conquering the other or being conquered by the other. This will lead to reconciliation and unity between the North and the South and peaceful reunification and national prosperity and will be in the interest of our neighbours.

Korea is one and so is the Korean nation. Hence, Korea is sure to be reunified through great national unity.

He further said:

Spring of normalisation of diplomatic relations is approaching with a thaw of the thick ice which has existed for many years.

If the DPRK and Japan value the first step already taken toward the improvement of relations and make joint efforts in keeping with the desires of the two peoples, it will finally produce a fine fruition.

He expressed the belief that the current visit of the delegation will contribute to consolidating the friendly relations between the two parties, improving the relations between the DPRK and Japan and tightening the bonds of friendship between the two peoples.

The banquet proceeded in a friendly atmosphere.

WPK-LDP Ties Discussed

SK2102015991 Pyongyang KCNA in English 1607 GMT 20 Feb 91

[Text] Tokyo February 20 (KCNA correspondent)—Talks between head of the visiting delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, member and secretary of the Central Committee of the Workers' Party of Korea and vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, and Ichiro Ozawa, secretary general of the Liberal Democratic Party of Japan and member of the House of Representatives, took place here today.

Present at the talks on our side were deputy head of the delegation Choe Mun-son, chief secretary of the Pyongyang Municipal Party Committee and deputy to the SPA, and members of the delegation Kim Yang-kon, vice-director of a department of the WPK Central Committee, and Kim Chong-hyong, chief of a section of the WPK Central Committee, and on the opposite side were Takeshi Noda, deputy secretary general of the LDP of Japan and member of the House of Representatives, Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP and member of the House of Representatives, Kunio Hatoyama, director of the International Department of the LDP and member of the House of Representatives, Hajime Funada, director of the Foreign Affairs Department of the LDP and member of the House of Representatives, Shojo Harada, ex-minister of construction and member of the House of Representatives, and Masayoshi Takemura, member of the House of Representatives.

On the occasion the secretary general of the LDP of Japan said that his party was deeply pleased with the acceptance of its invitation by the WPK and warmly welcomed the Japan visit of the WPK delegation.

The head of the WPK delegation conveyed warm greetings of the great leader Comrade Kim Il-song to Ichiro Ozawa, secretary general of the LDP.

He also conveyed a gift and warm greetings of the dear leader Comrade Kim Chong-il to the secretary general.

The secretary general asked the head of the delegation to convey his deep thanks and heartfelt cordial greetings to Comrade Kim Il-song and Comrade Kim Chong-il.

Discussed at the talks was the question of developing in depth the friendly relations and exchange between the WPK and the LDP of Japan.

The talks proceeded in a friendly atmosphere.

Meets LDP Council President

SK2102020391 Pyongyang KCNA in English 1613 GMT 20 Feb 91

[Text] Tokyo February 20 (KCNA correspondent)—There was a talk here today between head of the delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, member and secretary of the WPK Central Committee and vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA, on visit to Japan and Takeo Nishioka, president of the General Affairs Council of the Liberal Democratic Party [LDP] of Japan and member of the House of Representatives.

Kim Yong-sun noted that the relations between the WPK and the LDP of Japan have favorably developed of late and said the visits to the DPRK by a LDP delegation headed by Mr. Shin Kanemaru and a LDP delegation headed by Ichiro Ozawa, its secretary general, last year were an important milestone in this.

Referring to the Japan-DPRK relations, Takeo Nishioka said the culture of Japan traces its origin to Korea and expressed his willingness to make efforts to further develop the relations between the two countries.

Present there on our side were deputy head of the delegation Choe Mun-son, member of the WPK Central Commitee, chief secretary of the Pyongyang Municipal party committee and chairman of the Pyongyang Municipal People's Committee and deputy to the SPA, and members of the delegation Won Tong-ku, member of the WPK Central Committee, chairman of the Central Committee of the General Federation of Trade Unions of Korea and deputy to the SPA, and Kim Yang-kon, vice-director of a department of the WPK Central Committee.

Present on the opposite side were Hajime Ishii, acting president of the Foreign Affairs Research Council of the LDP and member of the House of Representatives, Kunio Hatoyama, director of the International Department of the LDP and member of the House of Representatives,

Hajime Funada, director of the Foreign Affairs Department of the LDP and member of the House of Representatives, and Masayoshi Takemura, member of the House of Representatives.

Talks With LDP Council Chairman

SK2102113991 Pyongyang KCNA in English
1054 GMT 21 Feb 91

[Text] Tokyo February 21 (KCNA correspondent)—Talks were held in Tokyo today between head of the delegation of the Workers' Party of Korea [WPK] Kim Yong-sun, secretary of the C.C. [Central Committee], the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) and deputy to the SPA, on a visit to Japan, and Mutsuki Kato, chairman of the policy affairs research council of the Liberal-Democratic Party of Japan and member of the House of Representatives. Present at the talks on the Korean side were deputy head of the delegation Choe Mun-son, chief secretary of the Pyongyang Municipal party committee, chairman of the Pyongyang Municipal People's Committee and deputy to the SPA, and vice-directors of a department of the C.C., the WPK, Kim Yang-kon and Choe Hak-nae and on the opposite side were Hajime Ishii, acting president of the foreign affairs research council of the LDP and member of the House of Representatives; and Masayoshi Takemura, chairman of the small committee for Korean affairs of the institute of Asian-African affairs of the LDP and member of the House of Representatives. At the talks Kim Yong-sun informed them of the WPK's foreign policy based on the idea of independence, peace, and friendship and of the Korean-style socialist construction and clarified the WPK's stand toward the North-South dialogue and the "Team Spirit 91" joint military exercises of the U.S. imperialists and the South Korean authorities.

Mutsuki Kato said that the North-South talks should be promoted independently by Koreans themselves and, on the part of Japan, it is important to help this work composedly from behind so that it may be done satisfactorily.

Meets Former Finance Minister

SK2102115091 Pyongyang KCNA in English
1048 GMT 21 Feb 91

[Text] Tokyo February 21 (KCNA correspondent)—Talks between the head of the visiting delegation of the Workers' Party of Korea (WPK) and the former minister of finance who is member of the House of Representatives from the Liberal Democratic Party (LDP) of Japan took place in Tokyo today.

Present on our side were Kim Yong-sun, secretary of the C.C., the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly [SPA] and deputy to the SPA who is heading the delegation; Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK, chairman of the Pyongyang Municipal People's Committee and deputy to the SPA who is deputy head of the delegation; and Kim Yang-kon and Choe Hak-nae, vice-directors of department of the C.C., the WPK.

Present on the opposite side were former Minister of Finance Michio Watanabe, former Foreign Minister Tadashi Kuranari, former Minister of International Trade and Industry Hikosaburo Okonoki, former Director of the Defence Agency Taku Yamazaki and Deputy General Secretary of the LDP Takeshi Noda who are all members of the House of Representatives.

Kim Yong-sun informed the Japanese side that the leader, the party and the masses are confidently building our-style socialism on the basis of a singlehearted unity in our country where the popular masses have become the master of the country by embodying the chuche idea under the wise guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

He also briefed it on the policies and proposals of the WPK and the DPRK Government for a peaceful reunification of the country and explained the foreign policy of the WPK and efforts for its implementation.

Michio Watanabe expressed a positive understanding of the Korean situation and the foreign policy of the WPK and the DPRK Government and stressed the need to strive for the development of Japan-DPRK relations. A peaceful reunification of Korea is conducive to the security of Japan, he said.

The talks took place in a friendly atmosphere.

Meets Chongnyon Leaders

SK2102120591 Pyongyang KCNA in English
1059 GMT 21 Feb 91

[Text] Tokyo February 21 (KCNA correspondent)—The delegation of the Workers' Party of Korea [WPK] headed by Kim Yong-sun, secretary of the Central Committee of the WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly and deputy to it, on a visit to Japan called at the Korean hall in Tokyo today. It was cordially met by Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), its First Vice-Chairman Yi Chin-kyu, Vice-Chairmen Pak Chae-no, So Man-sul, Ho Chong-man, O Hyong-chin and Pae Pyong-tu, director of the secretariat and directors of departments, leading officials of the organizations and enterprises and Chongnyon functionaries. The members of the delegation had a conversation with cadres of Chongnyon in an atmosphere overflowing with feelings of kinship. The delegation posed for a photograph and went round the Korean Hall. It presented a souvenir to the Central Standing Committee of Chongnyon.

Committee Agrees on Uniforms, Flag of Joint Team

SK2102104491 Pyongyang KCNA in English
1019 GMT 21 Feb 91

[Text] Panmunjom February 21 (KCNA)—The working committee to discuss practical matters for the participation of a unified team of the North and the South in the

41st World Table Tennis Championship met today at the Tongil House in the North side's portion of Panmunjom.

The meeting was held behind closed doors as agreed by the sides.

After the meeting, Chang Ung, co-chairman of the North side, briefed reporters on the results of the meeting of the working committee.

According to him, the sides discussed the selection and training of the unified table tennis team of the North and the South, the composition and management of the team, the uniform and equipment of the team and other matters.

The sides agreed to select an equal number of payers and officials from the North and the South for the 41st World Table Tennis Championships and take part in the team events, men's and women's doubles, mixed doubles and individual events.

The sides agreed to let all the aces recognized by the International Table Tennis Federation (ITTF) participate in the individual events and inform the ITTF of this.

It was agreed at the meeting that the uniforms of the unified team will be provided by the North side, sports-wear by the South side, the team flag by the North side which will head it and the taped team song and its musical notes by the South side.

The point over which the opinion was divided was the venue of the ceremonies of formation and dissolution of the unified team.

Noting that if the ceremonies are held in the North and the South by making the players travel between the two parts under the prevailing situation, it will be a political burden on them and have no good effect on the games, our side expressed the hope that the South side will make a close study of our proposal to hold the ceremonies on the spot and show an affirmative response at the next meeting.

It was decided to hold the second meeting of the working committee of the unified team to the table tennis champi-onships at the South side' portion of Panmnjom on Feb-ruary 27.

Kim Yu-sun Statement on N-S Sports Team

SK2002131291 Pyongyang Domestic Service in Korean 2100 GMT 19 Feb 91

[Press statement issued by DPRK Olympic Committee Chairman Kim Yu-sun dated 19 February—read by announcer]

[Text] As everyone knows, in the fourth round of North-South sports talks complete agreement was reached on the formation and participation of the North-South single team in the 41st World Table Tennis Championships and the Sixth World Junior Soccer Championships, with each of the two sides signing a written agreement, thus pro-claiming the birth of the single team at home and abroad. This offered a firm prospect for forming and producing the long-yearned single team to the world.

All the people and sports people of the country who have heard of the birth of the single team are exceedingly joyful, and the world's public circles and press wholeheartedly welcome it. I think it a valuable fruition brought forth by the sincere efforts of our side over the last 30 years and an event contributing to the unity of the nation and the acceleration of the independent and peaceful reunification of the country to proclaim the birth of the first single team at home and abroad, and warmly support and welcome it in the name of the DPRK Olympic Committee.

Looking back, the sports people of the North and the South have repeated the painful tragedy of confronting and competing with each other in international games as separate teams for the past 40 years. Our nation, which has lived harmoniously and happily together in the same land, has suffered from enormous misfortune and pain as a result of the long division of the country for nearly half a century, and it is truly painful that even the sports people should confront and compete with each other before the people of the world. To put an end to this shame and tragedy suffered by the nation, we have long since initiated the North-South sports talks for the formation of a single team and have made patient efforts to realize it.

As early as 1957, we initiated the North-South sports talks for the North and the South to form and participate in the international games as a single team, and for the nearly 30 years since the North-South sports talks which were held to discuss the participation of the North and the South as a single team in the 18th Tokyo Olympic Games in Lau-sanne and Hong Kong in 1963, we have made all sincere efforts with an initiative to hold the sports talks for the formation of the North-South single team for the partici-pation in the several Olympic Games, the 35th World Table Tennis Championships, and the 11th Asian Games and to lead the talks to success. However, these efforts of ours have failed to produce proper fruition owning to the South side's unjust attitude toward dialogue and wrong position.

The South side did not have the desire for the formation of a single team from the outset, nor did it show sincerity at the talks. The South side, which was compelled to come to the site of the talks by the opinion and pressure of the people at home and abroad, would lay artificial difficulties and obstacles in the talks, whenever they were held, with unfeasible and unrealistic assertions and unnecessary argu-ments, ultimately rupturing the talks. However, we did not lose hope, nor did we retreat even one step on the road to the formation of the single team. Although the North and the South failed to participate in the 11th Asian Games as a single team, we developed the historic scene of joint cheering in the arena of the Beijing Games from the sheer desire to reconnect the severed blood bonds of the nation and the ties between the sports people of the North and the South. By managing to hold the North-South soccer games for reunification as a festival for reunification, we made the atmosphere for national reconciliation and unity fill the entire country with heightened zeal for reunification. Taking advantage of this opportunity, we again initiated the North-South sports talks for the North and the South to

participate as a single team in the major international games in the future, thereby succeeding in holding the historic talks we had recently.

Of course, there were difficulties during these talks. The South side hampered the progress of the talks with various unjust assertions at the site of the talks, and conducted, outside the site of the talks, a large-scale Team Spirit-91 joint military exercise against us and issued an emergency alert order to the entire Army under the pretext of the Gulf War, extremely straining the situation on the Korean Peninsula. However, we subordinated everything to the birth of the single team with a view to cherishing the hard-won sports talks and from the sheer desire to realize the single team by all means and give the fellow countrymen the joy of it. Whenever the two sides had a difference of opinion, we made repeated concessions with broadmindedness to settle the problems as soon as possible.

Because of this firm position of ours to realize the single team promised to the nation and our serious and consistent efforts, a bright road was opened for the North and the South to participate as a single team in the 41st World Table Tennis Championships to be held in Japan this April and the Sixth World Junior Soccer Championships to be held in Portugal this June. Truly, we can say that the birth of this single team is of great significance. In the first place, the birth of the single team will give an opportunity for the North and the South to restore the bonds of their sports people and to demonstrate our nation's wisdom and honor to the world. If the brave, wise, and talented sports people of the North and the South participate in the international games as a single team combining their skills and strength, there is no doubt that they can score excellent results as good as any other nation not only in Asia but in the world and demonstrate the united might of our nation.

Also, with the birth of this single team, we can demonstrate the will of our fellow countrymen to promote the grand national unity and live harmoniously in one reunified fatherland and can give new confidence and encouragement to the entire nation, which is determined to expedite reunification by all means in the nineties.

If the North and the South form a single team and participate in the international games, it will contribute greatly to promoting national reconciliation and unity, doing away with the barrier between the North and the South that has been frozen hard for decades and opening ways to reunification.

Of course, much work has yet to be done in connection with the formation and participation of the single team. The working committee for the single team which will be formed and operated will have to discuss and decide seriously the working matters arising in the formation of the single team in the spirit of reconciliation and unity in conformity with the spirit of agreement between the two sides, so that the single team can proudly participate in the forthcoming international games.

Under the condition that the South side is still engaged in acts detrimental to the atmosphere for dialogue without regard to the consistent demand of the nation, we cannot say that obstacles have been completely removed in the formation of the single team. Therefore, it depends entirely upon the South side's attitude and position whether the North and the South can form a single team and participate in the 41st World Table Tennis Championships and the Sixth World Junior Soccer Championships.

As they declared to the people at home and abroad in the North-South joint written agreement, the delegates of the two sides should resolve the issue of holding the North-South soccer games for reunification on a regular basis and discuss and decide the issue of participating as a single team in the ensuing major international games, such as the 25th Olympic Games and the Third Asian Winter Games, as well. The two sides should also discuss the issue of realizing North-South sports exchange.

We will make all sincere efforts in the future, as we have done in the past, to realize the single team to demonstrate our nation's wisdom and excellent skill in the international games so that it may actively contribute to the cause of fatherland reunification. I sincerely hope that the working committee for the single team, which will be held amid great interest of people at home and abroad, will be operated successfully in conformity with the aspirations of the fellow countrymen.

I also express my gratitude to the international organizations, the broad strata of figures of sports circles, and all the sports people of the world that are truly rejoicing and congratulating the birth of the North-South single team, and express my conviction that they will send us firm solidarity with our consistent efforts to realize the single team.

[Dated] 19 February 1991, Pyongyang

Daily Faults No Tae-u Statement on Suso Scandal

SK2102071491 Pyongyang KCNA in English 0548 GMT 21 Feb 91

["Sophistry To Veil Corrupt Politics"—KCNA headline]

[Text] Pyongyang February 21 (KCNA)—NODONG SINMUN today comments on the "special statement" issued by No Tae-u February 19 in connection with the Suso District housing scandal, in which he pretended to be more "upright and clean" than anybody else, saying he "deeply apologizes to the people" and he "will liquidate the irregularities and pursue clean politics." The news analyst says: No Tae-u's promise of "clean politics" and "bright society" is a crafty tactics of appeasement and deception to disguise himself as being "upright and clean," convince the public that he would pursue "democratic politics" without irregularities, lull the people's complaints and win their favor. It is an absurd ruse to conceal the fact that today's reality of South Korea where all social vices and corruption hold sway is an offspring of his clique's corrupt politics and to prop up the authoritarian military fascist rule. No matter how loudly No Tae-u may advertise

"uprightness and cleanness," he will never conceal his criminal deep involvement in the scandal and avoid the people's resentment and accusation levelled at him. If corruption is to be cleaned up in South Korea, No Tae-u, the chieftain of corruption, must be ousted first of all and the military fascist rule be overthrown.

KCNA Reports Punishment of Students in South

SK2102064691 Pyongyang KCNA in English
0530 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—The chief of the puppet police headquarters at a press conference on Feb. 19 cried that police booths and other objects were often attacked nowadays and threatened that, to prevent it, the students participating in the attack would be branded as violent terrorists and they would be severely punished and the prime mover would face death penalty, according to a radio report from Seoul.

This is a shocking outburst that reveals the quality of the No Tae-u ruling group as a murderous fascist tyrant. This shows that it is making desperate efforts to stifle the growing desire of students for independence, democracy and reunification and their anti-"government" action.

South Korean students burst into fiercer anger at the authorities with the recent treacherous dispatch of troops to the Gulf war and the exposure of the case of privileged distribution of housing lot in Suso District, Seoul, and they are intensifying the attack on police booths and other public institutions in different parts of South Korea as part of their anti-"government" struggle.

Upset by this, the South Korean authorities are scheming to put patriotic-minded students even to death, brandishing the blood-stained bayonet, while seeking the "security" of their "power" with the "local assembly elections" approaching.

Workers Demand End of Team Spirit Exercises

SK2102063491 Pyongyang KCNA in English
0536 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—Loud voices demanding a stop to the "Team Spirit 91" joint military exercises being staged by the U.S. imperialists and the South Korean authorities continue ringing out from all parts of the country.

The employees of the Pyongyang first passenger car office, the Sariwon textile mill, Nampo port and the Pyongyang cornstarch factory held meetings to bitterly denounce the U.S. imperialists and the South Korean authorities for frantically staging the criminal "Team Spirit 91" joint military exercises.

At the meetings the speakers said that the South Korean authorities declared "an emergency wartime system" in South Korea, taking issue with us, under the pretext of non-existent "threat from the North", with the outbreak of the Gulf war and are kicking up a hysteric row for the provocation of a new war together with Americans. This is a deliberate act to keep off the influence of our new proposal for peaceful reunification, justify their policy of confrontation and war and get over the serious crisis of the colonial rule.

The responsibility for the crisis of rupture to which the North- South dialogue has been driven entirely rests with the South Korean authorities, the speakers noted.

We will never overlook their anti-national criminal act in leading the situation of the country, that had been heading for detente and peace, to a perilous state of confrontation and war, they said.

Refuting their claim that the scale of the "Team Spirit" manoeuvres "has been reduced" this year and this is a token of their "good faith", the speakers said no sophism can conceal the aggressive nature of the joint military exercises.

The speakers strongly demanded that the U.S. imperialists and the South Korean authorities stop the reckless nuclear war exercises forthwith.

KCNA Reports U.S., South Korean Aerial Exercise

SK2102065691 Pyongyang KCNA in English
0541 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets staged joint aerial military exercises for pre-emptive strike at the targets in the strategic depth and inland of the northern half of Korea in the sky above Yoju and Kunni, South Korea, on Feb. 19 with the mobilisation of such fighter-bombers, assault planes and observation planes as F- 16, F-4, F-5, A-37 and OA-10, more than 160 all told, under the provocative "Team Spirit 91" war exercise program, according to military sources.

Similar large-scale exercises were staged in the sky above Wonju and Sosan on the same day.

The U.S. imperialists brought Guam-based KC-135 refuelling tanker to the sky above the sea off Kunsan for real war exercises of refuelling in mid-air formations of F-16 and OA-10 of the U.S. imperialists occupying South Korea.

And they sent to South Korea formations of C-130 transport planes carrying aggression forces and combat equipment from their overseas aggression bases in Japan and the Pacific and deployed them in operational zone for the "Team Spirit 91" war game.

On the same day the South Korean puppets staged frantic offensive exercises against the North in Kapyong and Tongduchon with a massive mobilisation of ground units supported by dozens of F-16, F-4 and F-5 fighter-bombers, creating a war atmosphere.

Earlier, on February 18, the South Korean puppets entrenched in Taechong Island committed an undisguised military provocation against us, firing artillery shells of various calibres on the extension of the Military Demarcation Line on the West Sea.

KCNA Review of 21 February Pyongyang Press

SK2102071991 Pyongyang KCNA in English
0552 GMT 21 Feb 91

["Press review"]

[Text] Pyongyang February 21 (KCNA)—Papers here today carry a report that the great leader President Kim Il-song and dear Comrade Kim Chong-il were awarded honorary citizenship of Antsirabe, Antananarivo Province of Madagascar.

Printed in the press is news that President Kim Il-song received solidarity letters from different countries supporting the new national reunification proposal put forward by him in his new year address.

NODONG SINMUN says that President Kim Il-song wisely led officials to do work as leading members of the revolution in the days of the construction of the dressing plant of the Komdok mining complex.

Appearing in the press is a letter to President Kim Il-song from the participants in the fifth executive committee meeting of the Board of the International Institute of the Chuche Idea [IIJI] held in Tokyo. Also seen there are an account of the meeting and the report of the director general of the board of the IIJI.

The Romanian paper DIMINEATSA carried "Answers To Questions Raised by the General Director of the Cuban Paper 'GRANMA'", a work of Comrade Kim Chong-il, according to NODONG SINMUN.

Papers report that the members of the "Paektu Society" in South Korea held a meeting on the birthday of Comrade Kim Chong-il and vowed to always live and fight in the Paektu spirit.

Given in the press is an account of a seminar on the original idea propounded by Comrade Kim Chong-il in his reply to the letter of the entire comrades of the Korean Literary Production.

NODONG SINMUN comes out with an article titled "Main Source of Our People's Tireless Advance and Struggle With Conviction of Certain Victory".

Highlighted in the daily is news of innovations effected by party members and other working people in South Hamgyong Province in socialist economic construction in hearty response to the tasks put forward by President Kim Il-song in his new year address and his recent teachings to the province.

Dailies inform the readers of a meeting of young people of the Komdok mining complex to wage a powerful "campaign of young vanguards to create a Kumgol speed in the 90s".

NODONG SINMUN conveys words of foreigners that the Workers' Party of Korea [WPK] is a motherly party which serves the people.

Figuring large in the press are accounts of the Japan visit of a WPK delegation headed by Kim Yong-sun, secretary of the WPK Central Committee. Included there are reports that the delegation left Pyongyang and arrived in Tokyo, talks were held between the head of the WPK delegation and the general secretary of the LDP [Liberal Democratic Party], leading officials of the LDP and the SDP [Social Democratic Party] of Japan paid a courtesy call on the WPK delegation at the hotel, the delegation paid a courtesy call at the LDP headquarters, the LDP hosted a reception for the delegation and Shin Kanemaru, former deputy prime minister of Japan, entertained it to a dinner.

According to the press, the Mozambican president met with the DPRK foreign minister and the Swedish king met with the DPRK ambassador.

Conveyed in the press are public voices at home and abroad denouncing the "Team Spirit 91" joint military exercises.

In a commentary, NODONG SINMUN exposes the criminal background of the "special statement" made by No Tae-u as regards the case of the privileged distribution of housing lot in Suso district.

The press reports that the secretariat of the Committee for the Peaceful Reunification of the Fatherland gave a news briefing to the home and foreign reporters on the on-going harsh fascist repression of pro-reunification democratic forces in South Korea.

South Korean opposition parties and organisations refuted the results of investigation into the case of the privileged distribution of housing lot in Suso district in Seoul, says NODONG SINMUN.

Appearing in the press is a telephone message sent by the acting chairman of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea to the South Korean Red Cross president, regarding the identification of the South Korean crewmen of the ship "Namhaeo 006" apprehended when it illegally intruded into the territorial waters of our side.

Conspicuous in NODONG SINMUN is an account of the dialogue of specialists in the reunification question and Christians at home and overseas for national reunification held in Germany.

It is reported in the daily that Fidel Castro declared Cuba will not abandon socialism, the president of the National Committee of the League of Communists - Movement for Yugoslavia stressed that socialism is an irresistible process, the Pakistani prime minister called for an immediate end to the brutal bombing raids on Iraqi civilians, the speaker of the Islamic Consultative Assembly of Iran demanded the withdrawal of the U.S. forces from the Gulf area and the Chinese Foreign Ministry spokesman referred to the Gulf crisis.

The press carries reports about the Gulf war.

NODONG SINMUN reports that Bush admitted the U.S. economy is undergoing a economic catastrophe in face of depression and prices keep jumping in Czechoslovakia.

"The United States Troubled With Social Evils" is the headline of an article of the paper.

Kim Il-song Receives Thai Envoy's Credentials

SK2102114291 Pyongyang KCNA in English 1102 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, today received the letter of credence from Montri Chalichan, newly-appointed ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Korea. Present on the occasion were vice-minister of foreign affairs Cho Kyu-il and a Thai Embassy official. After receiving the credentials President Kim Il-song had a conversation with the ambassador.

Kim Yong-nam Meets President of Mozambique

SK2102065891 Pyongyang KCNA in English 0534 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—Mozambican President Joaquim Alberto Chissano on February 18 met the visiting DPRK Vice-Premier and Foreign Minister Kim Yong-nam.

The president said he actively supports the efforts made by his excellency President Kim Il-song and His Excellency Kim Chong-il for the reunification of Korea.

Mozambique wishes them greater success in the work for Korea's reunification and prosperity he added.

He declared that Mozambique is closely following the achievements made by the Democratic People's Republic of Korea in fulfilling the three revolutions and it is a very important thing for the future of a reunified Korea.

Kim Chung-nin Attends Central Photo Exhibit

SK2102051091 Pyongyang Domestic Service in Korean 1100 GMT 12 Feb 91

[Excerpts] On the morning of 12 February, a central photography exhibition opened at the Youth Central Hall on the occasion of the festive February holiday.

Comrade Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea; Comrade Chang Chol, vice premier of the State Administration Council and minister of culture and art; and other relevant functionaries participated in the opening meeting with the workers of the city.

Comrade Kim Chung-nin made an opening speech at the meeting. [passage omitted]

The exhibition will enable our party members and workers to further experience deep in their hearts the peerless courage and wisdom in the leadership of dear leader Comrade Kim Chong-il. It will actively contribute to vigorously fighting to complete the chuche cause.

Leaders Attend Juvenile Corps Meeting

SK1602121391 Pyongyang Domestic Service in Korean 0800 GMT 16 Feb 91

[Excerpts] Marking the felicitous day of February, a meeting of pannational organizations of the Korean Juvenile Corps was splendidly held in the Pyongyang Gymnasium on the morning of 16 February. [passage omitted]

Comrade Pak Song-chol, member of the Political Bureau of the Workers Party of Korea Central Committee and vice-president; Comrade Chang Chol, vice premier of the State Administration Council; Choe Mun-son, responsible secretary of the Pyongyang Municipal Party and chairman of the Pyongyang Municipal People's Committee; (Choe Kil-yong), chairman of the Education Committee; Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea; anti-Japanese revolutionary fighters; other relevant persons; scientists, and exemplary Juvenile Corps members appeared on the rostrum. [passage omitted]

Yi Chong-ok Attends Academic Degree Award Meeting

SK1802080591 Pyongyang Domestic Service in Korean 0900 GMT 12 Feb 91

[Excerpts] A meeting to award the DPRK state academic degree was held in the grand people's study hall on the morning of 12 February. [passage omitted]

The meeting was attended by Vice Premier Yi Chong-ok and functionaries concerned with scientists, technicians, teachers who have positively contributed to developing the national science and technology and to realizing the chuche-orientation, modernization, and science-orientation of the national economy, by effecting a new success in science research works. [passage omitted]

Novel on Kim Chong-il's Early Life Published

SK1702083091 Pyongyang KCNA in English 0806 GMT 17 Feb 91

[Text] Pyongyang February 17 (KCNA)—A novel "Clouds of Fire" (by Pak Hyon) was recently brought out by the Literary and Art Publishing House of Korea.

The novel deals with the period of the past Fatherland Liberation War (June 1950 to July 1953) out of the immortal revolutionary history of dear Comrade Kim Chong-il. It shows him growing up to be a chuche-type communist revolutionary overcoming hardships of the war together with the people.

The novel consists of three parts—"Pine-Nut Trees Sway," "The Embrace of the Motherland" and "Song of Wishes."

It depicts well the great personality of Comrade Kim Chong-il who, as a child, cherished boundless loyalty to the party and the leader, to the country and the people and showed its practical example.

It is high on the novel literature as one of outstanding masterpieces of this year for its profound thematical and ideological content and high level of artistic representation.

Seminar Held on Kim Chong-il Reply to Writers

SK2102121391 Pyongyang KCNA in English 1025 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—A seminar on the unique idea propounded by dear Comrade Kim Chong-il in his reply letter to the entire writers of the

Korean Literary Production was held by the Central Committee of the General Federation of the Unions of Literature and Arts of Korea on February 20. Comrade Kim Chong-il received a letter carrying a pledge to remain loyal to the party for ever from the poets of the Korean Literary Production on December 27 last year and sent a meaningful reply letter to the entire writers of the literary production in the hope that they will be an eternal companion, faithful helper and good adviser in the building and activities of our party. The speakers explained the quintessence, uniqueness and greatness of the profound idea expounded in the reply letter. The reply letter, they noted, makes clear that the writers, artists and intellectuals hold the position of interlinking the leader, the party and the masses as a component of the popular masses and they are social beings who not only educate the popular masses with devotion but also faithfully help the leader and the party and give a good advice to them with the same devotion. They called for actively striving to write more articles explaining and propagandizing the greatness of the leader and the party and the sagacity of leadership in a deep-going way and create works helpful toward strengthening the party and guaranteeing the party leadership over the revolution and construction.

South Korean Clerk Explains 'Defection'

SK2102112791 Pyongyang KCNA in English 1031 GMT 21 Feb 91

[Text] Pyongyang February 21 (KCNA)—Kang Tae-song, 30, who was a clerk at the Kangjin County Medical Insurance Association in South Cholla Province, South Korea, before defecting to the northern half of the country some time ago, was interviewed by home and foreign reporters here today.

Kang Tae-song was born in Songchon-ri, Sinjong-myon; 8 Kangjin County, South Cholla Province.

He graduated from a university in 1982 and received the qualification of jail instructor through a reformatory officials' examination and once worked as a jail instructor at Changhung Prison.

Explaining the motive of his defection, he said:

I learned that the northern society is a paradise for the working people where all people lead an equal life, with no one specially rich or poor, and free from worries about housing, education and medical care, under the wise leadership of President Kim il-song, the sun of the nation, and dear Mr. Kim Chong-il.

The North is an independent society which is not subject to outside interference. This is because the North is guided by the chuche idea founded by President Kim Il-song and developed and enriched by the dear leader Mr. Kim Chong-il.

Another factor which prompted me to make up my mind to come over to the North was that I realized the contradictions of the corrupt structure of the southern society while I witnessed the realities of the South after gaining a correct understanding of the North.

Kang Tae-song cited concrete facts to expose the No Tae-u ruling group's crimes and repression.

Coming up against the reality of the South Korean society full of falsity and fraud everywhere I went, I clearly realised that the South Korean society is a big prison and its chief gaoler is No Tae-u.

No Tae-u declared a war against the people and is maintaining an unheard-of repressive rule by mobilizing even regular armed forces under the pretext of wiping out crimes.

The traitor No and his group that has left the whole of South Korea to the tender mercy of the United States and turned it into a prison without bars are now harshly punishing true patriots who are calling for national reunification.

The No group is severely penalizing those who protest injustice and want to live in justice, treating them as special offenders who disturbed public peace.

The defector spoke of the actual conditions of the medical insurance associations of farm and fishing villages allegedly for the building of a welfare society advertised by the South Korean authorities.

The medical insurance associations of peasants and fishermen in the farm and fishing villages of South Korea are nothing but a sheep's skin worn by wolf. They are plot-breeding tools for a long-term office of the No group by courting the people's favor and machines for raking up political fund for the Democratic Liberal Party.

Referring to the conditions of hospitals in South Korean rural areas, he said the hospitals are not places to give patients medical treatment but places to make money by treating people as commodities.

Noting that the South Korean society is a gold-almighty society where money kills or saves people, Kang Tae-song said penniless peasants and fishermen are living as slaves of money, shedding bitter tears.

South Korea

Complaint Registered Over DPRK-Japan Accord

SK2102114191 Seoul YONHAP in English 1111 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (OANA-YONHAP)—South Korea registered official complaint to Japan Thursday for its ruling party's agreement with North Korea on cultural and sports exchanges, saying such an agreement violates an accord Tokyo has with Seoul, Foreign Ministry officials said.

South Korean Minister to Japan Nam Hong-u called on Sakutaro Danino, director-general for Asian affairs at Japanese Foreign Ministry, Thursday afternoon, expressing regrets and requesting explanation on the agreement, officials said.

Kim Yong-sun, a North Korean Workers' Party secretary in charge of international affairs, is in Japan on a week-long visit. Kim and Ichiro Ozawa, secretary-general of Japan's ruling Liberal Democratic Party on Wednesday agreed to promote bilateral exchanges in culture, fine arts and sports.

Such an agreement violates a five-point understanding between South Korea and Japan which includes Tokyo's pledge to fully consult Seoul on any progress in its diplomatic negotiations with North Korea and to lead the negotiations in such a way to help inter-Korean relations.

Although the agreement was struck between ruling parties and not the governments, South Korea cannot but express regret over such a result, ministry officials said.

The agreement is all the more regrettable since it comes at a time when North Korea unilaterally canceled fourth round of inter-Korean premiers' talks originally slated for next week in Pyongyang, officials said.

Nam also demanded explanation about the last-minute arrangement of a meeting between Kim and Japanese Prime Minister Toshiki Kaifu, not included in the original itinerary.

Nam also asked about reports that Shin Kanemaru told Kim he tried to secure compensation for North Korea from his government for the years following 1910-1945 Japanese colonial rule over Korea, officials said.

North Korea, Japan Sign Exchanges Agreement

SK2102041491 Seoul YONHAP in English 0215 GMT 21 Feb 91

[Text] Tokyo, Feb. 21 (YONHAP)—The ruling parties of North Korea and Japan agreed Wednesday to promote bilateral exchanges in the areas of culture, fine arts and sports.

The verbal agreement came in talks between Kim Yong-sun, the North Korean Workers' Party [WPK] official in charge of international affairs, and Ichiro Ozawa, secretary-general of Japan's Liberal Democratic Party (LDP).

Both sides will document the agreement on Feb. 27.

Kim is the highest North Korean official to visit Japan. The two nations lack diplomatic ties. He also met with Shin Kanemaru, a former deputy prime minister, and Takeo Nishioka, LDP executive chairman.

Appealing to Japan to help ease tension between South and North Korea, Kim said relations would reach a new level because of the smooth progress of normalization talks between Pyongyang and Tokyo. He said it was possible for Japan to have exchanges with both Koreas simultaneously.

All-Korean Table Tennis, Soccer Teams Discussed

SK2102121091 Seoul YONHAP in English 0900 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—South and North Korea agreed Thursday to write a letter to the International Table Tennis Federation (ITTF) demanding that they be allowed to compete as one team in the world championship this year.

The agreement came in the first round of working-level talks on forming a combined Korean table tennis team for the 41st World Table Tennis Championship this April in Chiba, Japan. The closed-door meeting was held in the truce village of Panmunjom.

Kim Chang-Chae, managing director of the Korea Table Tennis Association (KTTA), last week got a positive response from ITTF President Ichiro Ogimura on the matter, a KTTA spokesman said.

Each entrant is allowed to send a nine-member team, but Korea wants to send 21, he said.

Pak Song-in, KTTA vice president, led the South in the talks and Chang Ung, secretary general of North Korea's Olympic Committee, headed the other side.

South and North agreed Feb. 12 to form a joint inter-Korean team for the table tennis championship and Sixth World Youth Soccer Championship in Portugal in June.

They also agreed that the South would supply the music for the team song, "Arirang," and the North would make the flag.

The second meeting will be Feb. 27 in the southern area of the border village.

North May Resume Talks After Team Spirit

SK2102101891 Seoul CHUNGANG ILBO in Korean 21 Feb 91 p 2

[Text] (REUTER/YONHAP—Tokyo) An official of the delegation of the Workers Party of Korea [WPK], now visiting Japan, revealed on 20 February that North Korea, which threatened that it will suspend the fourth North-South prime ministers' talks slated for next week, may agree to resume the talks after the ROK-U.S. joint military exercise.

This official, who arrived in Japan as member of the high-level delegation headed by Kim Yong-sun, secretary of the WPK who is also director of its international bureau, pointed out that there is a great possibility that the prime ministers' talks slated for next week will not be held. He said that even if the prime ministers' talks are to be suspended, there is a possibility that the talks will be resumed after Team Spirit ends in April.

Part of Transport Unit Delayed on Way to UAE

SK2102041391 Seoul YONHAP in English 0139 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—Departure of a South Korean Air Force transport unit to the United Arab

Emirates (UAE) was delayed Wednesday because India closed its airspace to the military transports.

"Three C-130 Hercules transports with 75 military personnel were to leave for UAE early Wednesday, but were delayed since the Indian Government notified us Tuesday night of the decision to withdraw permission for Korean aircraft to pass through Indian airspace," a Defense Ministry spokesman said.

The air transport unit will be able to head for the UAE about Friday using another air route, he said.

India has remained neutral in the Gulf war and this move might reflect diplomatic efforts to end the conflict, he said.

Korea decided to send a 150-member air transport unit and five C-130 Hercules transports to join a 154-member military medical team in the Gulf last month.

Two C-130 Hercules with 75 military personnel left Seoul early Tuesday and arrived at Al-Ayn [place as received] Airbase in eastern UAE early Thursday via Indian airspace, he said.

A Foreign Ministry official said the Indian Government had asked Korea to reconsider its dispatch of the aircraft so the departure was delayed, but negotiations on another route were under way.

Fact Finding Tour, Mid-East Rebuilding Viewed

SK2102044791 Seoul YONHAP in English 0154 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—South Korea will map out multi-pronged steps to reactivate exports to the Middle East and participate in post-war rehabilitation projects, beginning with a fact-finding tour of the region to gather basic materials, government officials said Thursday.

Assistant Foreign Minister Yi Ki-chu will lead the team of officials from the Economic Planning Board and foreign, finance and construction ministeries to Saudi Arabia, Jordan, the United Arab Emirates and Egypt, they said.

Korea expects the Gulf war to end shortly, by Iraq withdrawing or being evicted from Kuwait, and estimates rehabilitation contracts at 100 billion to 150 billion U.S. dollars, the officials said.

Rebuilding Kuwait alone would cost over 50 billion dollars and Korea hopes to get a share because, given its contribution of millions dollars and medical and transport units to the war, they said.

International competition for post-war rehabilitation contracts will be fierce, but because Korean companies engaged in construction in Iraq and Kuwait before the war they are very well positioned for a bonanza, they said.

The government expects exports of daily necessities and durable consumer goods such as cars and electronics to increase sharply after the war.

Korean exports to the area virtually stopped when the war began on Jan. 17.

Strengthening Trade Diplomacy With U.S. Urged

SK2102024391 Seoul SEOUL SINMUN in Korean 18 Feb 91 p 2

[Editorial: "Change in U.S. Trade Strategy and Our Countermeasures"]

[Text] Although the people's interest has decreased due to the Gulf war, the so-called "trade war" is still continuing. It was reported that in the talks between working-level officials from the service sector of the ROK and the United States held in Geneva on 11 February, the U.S. side demanded that the ROK add the domains of judicial service (attorney's work), public health service including works of hospital and pharmacy, and franchise (chain stores) service to the list of market openings.

It appears that with the Gulf war, the Uruguay round negotiations have been pushed aside from news topics. However, the United States is invariably intensifying its pressure on us for opening of markets. The intensified U.S. trade policy has been clearly revealed in various recent moves. It is the U.S. position that though the settlement of the Uruguay round negotiations is being delayed due to the Gulf war, the United States will settle the negotiations by the end of July. It is a predominant observation that as soon as the Gulf war ends, the United States will lead the Uruguay round at its own pace and intensify its trade war by taking advantage of victory won in the Gulf.

Apart from these negotiations, the United States is planning to settle at an early date an agreement on integrating North American areas including the United States, Canada, and Mexico into a free trade zone. Besides, the United States clearly expressed its willingness to form a customs alliance of North and South America by making the major South American countries participate. The United States is forcefully pushing for regional bloc of North-South American areas in order to cope with integration of European Community which is anticipated to take place in 1992.

Another factor of U.S. trade policy is its strategy, which it is hastily working out, to intensify bilateral negotiations in the event that the negotiating countries do not implement the agreement of the Uruguay round negotiations even after their settlement. It has also been learned that the United States will extend the term of validity of the Super Article 301, which expired late last year, by five years, and will formulate a fair financial trade act this year which makes it possible to retaliate even in the financial sector.

Furthermore, the United States suggested that the nations which were negligent in cooperating with them during the Gulf war may suffer disadvantages in the field of trade. Change in the U.S. trade policy will exercise direct and extensive influence on our economy, thus attracting people's keen and wide attention. It is a publicly known fact that the Uruguay round negotiations alone seriously affected our economy. Thus, the emergence of a regional bloc of North America will undoubtedly give decisive influence to our export.

In the event that the United States takes the degree of cooperation for the Gulf war into consideration and reflects such cooperation in the bilateral trade negotiations, we can hardly say that our position would always be advantageous. Being dragged into the Gulf war and various other domestic incidents, including lawmakers' overseas trip with money offered as bribes and the Suso housing scandal, our people have become very insensitive toward the impending economic problems which are substantively linked with our practical life.

Thus, we should not overlook the change in the trade policy of the United States, our trade partner for more than one-third of our export.

We call on the government to work out a comprehensive mid- and long-range strategy for trade diplomacy to cope with the trend of world trade circumstances toward regional bloc. We should not repeat taking the same reckless course in which we resorted merely to a temporary expedient to cope with the U.S. pressure.

The mid and long-range strategy should be formulated in such a manner as to take into consideration the reorganization of an international political order after the Gulf war, not to mention the trend of world economy for regional blocs. In particular, it is an urgent and earnest task at this point to strengthen our trade diplomacy with the United States.

Trade Deficit Increase, Surplus With U.S. Falls

SK1702012791 Seoul THE KOREA TIMES in English 17 Feb 91 p 9

[Text] Korea's trade surplus with the United States fell 49 percent last year to 2,418 million dollars.

The Bank of Korea [BOK] reported yesterday that Korea's exports to the United States were down 6.2 percent while U.S. exports to Korea grew 6.5 percent.

The nation posted its largest trade deficit ever of 5,936 million dollars in 1990. The nation's trade surplus with the EC was off 52 percent last year to 433 million dollars.

Korea recorded a deficit of 2,051 million dollars last year in its current account, compared with a 1989 surplus of 5,055 million dollars.

The current account is one of the best measures of tracking a nation's external transactions as it deals in trade, services and a certain transfers of payment.

It was the first time in four years that Korea sustained a deficit in its current account.

The trade account was 1,854 million dollars in the red last year, against a surplus of 4,597 million dollars in 1989. Exports grew 3 percent while imports expanded 14.6 percent, the central bank said.

In the invisible trade account, the second category of the current account, the nation registered a deficit of 493 million dollars last year, compared with a black ink entry of 211 million dollars in 1989.

The net transfer account—the third and last category of the current account—was 300 million dollars in the black, vis-a-vis a 1989 surplus of 250 million dollars.

A BOK official said Korea donated 50 million dollars in cash to the multilateral forces in the Gulf out of its net transfer account.

Korea's foreign exchange holdings amounted to 14,822 million dollars, down 423 million dollars from 1989.

The central bank said it can not track the whereabouts of 2,246 million dollars that moved in and out of the country without being recorded. It was the largest errors and omission amount in history.

But a BOK official said the amount is equal to 1.8 percent of the total trade amount. The International Monetary Fund (IMF) recognizes errors and omission amounts of less than 5 percent of the trade volume.

Balance of Payment

	($1 Mil. Percent)	
	1989	1990
1) Current Account	5,054.6	-2,050.8
Trade Account	4,597.2	-1,954.3
Exports	61,408.7	63,236.3
(Increase Rate)	(3.0)	(3.0)
Imports	56,311.5	65,090.6
(Increase Rate)	(17.9)	(14.6)
Invisible Trade Account	210.8	-493.1
Net Transfer Account	246.6	296.6
2) Capital Account	-3,302.2	3,882.3
3) Errors & Omission	700.7	-2,246.3
4) Overall Account	2,453.1	-414.8
FX Holding	15,245	14,822

*Increase rate is based on year-to-year comparisons.

*1990 figures are provisional. (Bank of Korea)

DLP Accused of Changing Records of Prosecution

SK2102081191 Seoul YONHAP in English 0111 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—The ruling Democratic Liberal Party (DLP) is suspected of cover-up its involvement in the Suso housing scandal regarding influence peddling and bribe taking, prosecution sources said Thursday.

DLP Rep. So Chong-won, who was to be summoned for questioning soon, admitted Wednesday that he struck out several lines from the record of a government-DLP discussion on the Suso case written up in August 1990 before sending a copy to the prosecution recently.

The DLP had been found to have at least three versions of the record, the sources said: one kept by the party, one sent

to the housing cooperatives seeking to have Hanbo build apartments for them in Suso, and a third sent to the prosecution.

The original document, kept by the party, reads, "Approval of the executive chairman and co-chairmen obtained upon the conclusion that the (cooperatives') appeal is acceptable on the "condition that (they) pay for all the expenses of development. The conclusion is that it is possible to accept the petition because it has no problem." [quotation marks as received]

These lines are missing from the document the DLP sent to the prosecution.

"I did not intend to distort or hide facts. I just dropped a few lines from the original for fear they might harm the executive chairman and others. I will take responsibility for all problems that may arise from my action," So said.

Rep. Yang Song-u of the opposition party for Peace and Democracy claimed Feb. 4 that the copy sent to the housing cooperatives also had lines approving Hanbo group's development of Suso district, but prosecution sources said what Yang saw was not the document sent to the cooperatives but a draft discarded by the DLP.

So aide Kim Chong-yol also denied that the document that Yang released was sent to the cooperatives.

"I wrote the document after the government-party deliberation based on Rep. So's briefing, but I did not send it out because he said, after meeting with then party chief policy-maker Kim Yong- hwan, that it was wrong," Kim said.

Another prosecution source said anyone found to have altered the original document on the government-party deliberation of the Suso district development would be charged with obstruction of justice.

The source said the housing cooperatives had been asked to submit the documents they received from the DLP last year and Yang would be questioned about how he came by the discarded draft.

Yang's copy read, "(Our party) in consultations with the Seoul city administration, will continue to struggle to let the petitions aimed at building houses for non-homeowners bear fruit."

Nine people, including three DLP lawmakers, two PPD lawmakers and an aide to President No Tae-u, were arrested last week on charges of taking bribes from Hanbo to help it in a profitable deal to build flats for housing cooperatives in southern Seoul.

DLP Policymaker Under Suspicion in Suso Case

SK2102122291 Seoul YONHAP in English 0904 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (OANA-YONHAP)—As suspicion mounts that the ruling party has lied to the public about its role in the Suso scandal, evidence has emerged that a party policy coordinator was deeply involved in handling a petition concerning the scandal.

Rep. So Chong-won, chairman of the 3rd policy coordination room, is suspected of handling a petition submitted by the 26 housing cooperatives appealing for privileged allocation of housing lots in Suso district, sources in the Democratic Liberal Party (DLP) said Thursday.

So took away the petition right after it was submitted to the party's petition chamber May 31 last year without consulting the chairman of the petition chamber.

Rep. Ham Chong-han, petition chamber chairman, said he became aware that So had intercepted the petition much later.

So is also suspected of having a leading role in arranging two meetings with the administration to discuss the petition.

Another official in So's office said there was also a petition from residents of Suso who opposed the privileged allocation to housing cooperatives, but So showed no interest in it.

So wrote three different versions of a report on the party-administration consultation, heightening suspicion of his interest in the project.

So admitted Wednesday that he struck out several lines from his record of government-DLP discussion on the Suso case in August 1990 before sending a copy to the prosecution.

The DLP has at least three versions of the record: one kept by the party, one sent to the housing cooperatives, and a third sent to the prosecution. The copy sent to the prosecution omitted lines showing that the appeal was approved by the executive chairman and co-chairmen.

The original document, kept by the party, reads: "Approval of the executive chairman and co-chairmen obtained upon the conclusion that the (cooperatives') appeal is acceptable on condition that (they) pay for all the expenses of development. The conclusion is that it is possible to accept the petition because it has no problem."

These lines are missing from the document the DLP sent to the prosecution.

So said he did not intend to distort or hide facts but just dropped a few lines from the original for fear they might harm the executive chairman and others.

"I will take responsibility for all problems that may arise from my action," So said.

So has denied allegations that former DLP chief policy-maker Kim Yong-hwan asked the participants in the second DLP-government meeting on the Suso issue Aug. 17 last year to cooperate or that he suggested it was the desire of the presidential secretariat.

The Party for Peace and Democracy (PPD) has released what it claims is a hand-written record of the meeting obtained from a Construction Ministry official.

This version of events attributes incriminating and suggestive phrases such as "the wishes of Chongwadae and others," "positively support" and "the principle of

approval" to Kim in a meeting attended by then Deputy Prime Minister Yi Sung-yon.

Kim has flatly denied that he said the words ascribed to him.

Three PPD lawmakers have been arrested in connection with the scandal.

No 'Shocked,' Denies Any Knowledge

SK2102105091 Seoul YONHAP in English 0847 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—President No Tae-u claimed Thursday that he was shocked to learn that a member of his staff was at the center of the Suso housing scandal.

"I was greatly shocked by the scandal...I regret that a presidential secretary was involved in the scam," No said during lunch with reporters.

No said reports he had been briefed twice on that housing project were "not only groundless rumors but nonsense."

"Although various kinds of groundless rumors are prevailing in the street, I am neither dazzled by such rumors nor do I believe them. The truth will obviously be unearthed by the prosecution," he said.

Although some politicians had gone astray, most were on the right road, No said.

"I expect all politicians, regardless of whether they belong to a ruling or opposition party, to strive to improve the political fund law, the election law and the national assembly law by themselves to foster a clean political atmosphere as laid out in the presidential statement," No said, adding that he was ready to meet with any political leader if it was necessary for reform.

On implementation of local autonomy, he said: "The government will draw a conclusion soon as it is now examining the timing and method of local elections in detail. I will do my utmost to see local autonomy is successfully be carried out because the success of my presidency partly depends on its success.

"Although North Korea unilaterally postponed the fourth round of inter-Korean prime ministerial talks slated for Feb. 25 in Pyongyang on the pretext of the Korea-U.S. 'Team Spirit' joint military exercise, inter-Korean high-level talks will proceed as expected because we are showing sincerity toward inter-Korean dialogue by scaling back 'Team Spirit' 30 percent and the North Korean side can hardly turn its back on dialogue suddenly.

"I believe the basis of national reunification can be made possible during my presidency if we continue efforts to improve relations with China, thus leading to the path to Pyongyang."

PPD Demands Account of DLP

SK2102084491 Seoul YONHAP in English 0642 GMT 21 Feb 91

[Text] Seoul, Feb. 21 (YONHAP)—Kim Tae-chung's Party for Peace and Democracy (PPD) demanded Thursday that President No Tae-u's Democratic Liberal Party (DLP) reveal the content of its discussions last year with the government on the Suso District housing project.

PPD spokesman Pak Sang-chon, releasing what he claimed was an unofficial transcript of the discussions, said everyone at the Aug. 17 meeting except for Seoul City officials agreed that Hanbo Group's development proposal should be given positive consideration.

City officials were asked in the meeting by government officials and key DLP post-holders to reconsider their decision not to allow Hanbo to sell the Suso apartments to housing cooperatives, according to the minutes.

Participants included Deputy Prime Minister Yi Sung-yun, chief DLP policy-maker Kim Yong-hwan, Justice Minister Yi Chong-nam, Construction Minister Kwon Yong-kak, Vice Seoul Mayor Yun Paek-yong and DLP Rep. So Chong-won.

Kwon, according to the transcript, declared that he would positively study allowing Hanbo to sell the flats to the 26 housing cooperatives if the mayor would give him a reason for doing so.

Yun said, however, there was no legal ground to reserve Suso District for housing cooperatives instead of putting it to open bidding and requested that an exceptional clause be added to the law on housing district development so that the city administration could give Hanbo the go-ahead.

Minister Yi suggested that preventing civil grievances and protecting the right to possess land could be used as excuses to give Hanbo the permission it sought, according to the transcript.

Deputy Premier Yi said he thought it would be all right to let Hanbo sell the flats to the housing cooperatives since the members of the cooperatives were not homeowners.

PPD spokesman Pak said he got the transcript Tuesday from a bureau director-general at the Construction Ministry.

"I did not make it public because the official opposed it, but CHOSON ILBO reported on it this morning and I'm releasing it with the official's consent," Pak said.

Saying the notes proved the presidential office's involvement in giving favors to Hanbo and the cooperatives, Pak called on the DLP to tell the truth about how it took money from Hanbo, to start a National Assembly investigation of the scandal and to appoint a special prosecutor.

He demanded the justice minister and prosecutor-general resign instantly and said PPD head Kim would announce his ideas for No in a news conference Friday.

Yi Tong-song, construction ministry director-general for housing affairs, has admitted taking the notes of the meeting but denies giving them to Pak. He says he gave them to the Board of Audit and Inspection and to the prosecution.

Former DLP chief policy-maker Kim Yong-hwan claims that the presidential office was never mentioned in the deliberations and contacted the press to say he had never had any contact with Chongwadae regarding the Suso case.

DLP Rep. So Chong-won might have taken notes, he said, but he did not know if So sent them to the housing cooperatives.

"It is untrue, however, that So obtained approval from the cochairmen. The three cochairmen were briefed verbally on the first meeting on July 20...the three were not briefed on the second meeting on Aug. 17," Kim said.

Korea Development Bank on Economic Outlook

SK2002023291 Seoul YONHAP in English 0212 GMT 20 Feb 91

[Text] Seoul, Feb. 20 (YONHAP)—A global economic slowdown will depress exports and weaken South Korea's manufacturing sector this year, the Korea Development Bank (KDB) said Wednesday.

KDB's report projected export growth between 5 percent and 6 percent due to the impact of the Gulf war at home and abroad, and said exports were jeopardized by a labor shortage, pay hikes, competition from late developing nations and port congestion.

Manufacturing output increased 8.6 percent last year, but could have risen more than 10.8 percent considering capacity in relation to real GNP growth throughout the 1980's, KDB said.

Imports accounted for 25.4 percent of domestic manufacturing consumption last year, up from 21.5 percent in 1988.

Nominal wages soared 74.9 percent between July 1987 and June 1990, compared with Japan's 23.3 percent, and boosted costs 8.2 percent, against Japan's 2.7 percent.

Prices of Korean television sets and some textile products are higher than the same items made in Indonesia, China, Thailand, India and other competitors. Costs are higher even than Japan for color televisions, video tape recorders and electric stoves.

Roads and harbors are so crowded that transportation and loading account for 17.34 percent of industrial turnover, well above 11.29 percent in Japan and 7 percent in the United States, the state-run bank said.

Crude Oil Import Bill Increases by 30.8 Percent

SK1802083791 Seoul YONHAP in English 0810 GMT 18 Feb 91

[Text] Seoul, Feb. 18 (YONHAP)—Higher prices pushed up South Korea's crude oil import bill 30.8 percent last year, and volume edged up 4 percent, the Energy and Resources Ministry said Monday.

The total cost was tallied at 6.46 billion U.S. dollars, up from 4.94 billion dollars in 1989, and the average import price jumped from 15.81 dollars a barrel to 19.99 dollars.

Quantity rose from 296.4 million to 308.4 million barrels, or 845,000 barrels a day.

The ministry said 55.2 percent of the oil was purchased under long-term contracts, up from 42.3 percent in 1989. As of the end of 1990, 707,500 barrels a day were imported under long-term contracts, up 38.9 percent from the seven months before Iraq invaded Kuwait.

The Middle East was the main source of the crude, supplying 74.2 percent of the total, up from 71.5 percent in 1989. Oman supplied 175,000 barrels, or 20.7 percent, followed by the United Arab Emirates, Saudi Arabia, Iran and Malaysia. Korea imports all of its oil.

Union at Daewoo Shipbuilding Approves Contract

SK1902085591 Seoul YONHAP in English 0835 GMT 19 Feb 91

[Text] Changseungpo, South Korea, Feb. 19 (OANA-YONHAP)—Union members at Daewoo Shipbuilding and Heavy Machinery have approved a new labor contract agreed recently between the union and management, ending a 12-day walkout.

In a vote on the motion at an extraordinary general meeting Tuesday morning, 8,587 of the 9,951 members took part and 5,948 (69.3 percent) voted "yes," 2,582 (30.1 percent) "no" and 57 ballots were void.

Union rules require over 50 percent attendance and over 50 percent approval to pass a collective bargaining agreement.

On Monday, the motion won approval from 51 of the union's 85 representatives from all divisions.

The shipyard, hit by a strike Feb. 8, will return to normal Wednesday morning. The collective bargaining over 132 issues began last November.

Cambodia

Indonesian, French, UN Officials To Visit

BK2102104991 Hong Kong AFP in English 1027 GMT 21 Feb 91

[Text] Bangkok, Feb 21 (AFP)—Officials from France, Indonesia and the United Nations are to go to Phnom Penh soon in a further bid to persuade its pro-Vietnamese Government to fully accept a UN peace plan for Cambodia, diplomats said here Thursday.

The team is to include Jean-David Levitte, a top French Foreign Ministry official, senior Indonesian diplomat S. Wiryono, and UN Deputy Secretary General Rafiuddin Ahmad, the diplomats said.

All three attended talks a few weeks ago on the Cambodian peace process when French foreign minister delegate Edwige Avice and Indonesian Foreign Minister Ali Alatas visited Vietnam to try to persuade that country's leaders to put pressure on Phnom Penh.

The talks with Hanoi appear to have brought no change in the stand taken by the Phnom Penh government, which is fighting a guerrilla coalition dominated by the Beijing-backed Khmer Rouge, Cambodia's former radical Marxist rulers who were ousted by a Vietnamese invasion 12 years ago.

Since the trip by Mrs. Avice, Mr. Alatas and Mr. Ahmad to Vietnam, Phnom Penh leaders have reiterated earlier statements that they would not accept any form of dismantling their government and disbanding its armed forces.

Phnom Penh's leaders have also repeated that they agreed to a "central" role for the UN in the peace process, but that it should be restricted to organising elections in war-ravaged Cambodia.

The UN blueprint, put together by the permanent members of the world organization's Security Council—Britain, China, France, the Soviet Union and the United States—does not call for a total abolition of Phnom Penh government structures, but gives the UN sweeping powers in administering Cambodia until elections are held.

France and Indonesia have been spearheading the latest moves in the peace process because they jointly chair a 19-country Paris conference on Cambodia which is to be eventually reconvened to finalise a settlement.

The conference broke up in the French capital mid-1989 when Cambodia's warring factions failed to reach a a compromise over power-sharing within the framework of an accord.

Last year, however, the factions set up a joint Supreme National Council (SNC) to embody Cambodia's sovereignty. But amid continuing disputes among them the SNC has only had two brief and inconclusive meetings, one in Bangkok and the other in Paris. Another SNC meeting is planned in Jakarta in an attempt to patch up their differences before a resumption of the Paris conference.

The diplomats gave no dates for the visit to Cambodia by Mr. Levitte, who is director for Asia at the French Foreign Ministry, Mr. Wiryono, political affairs director at the Indonesian Foreign Ministry, and Mr. Ahmad.

Hun Sen on Solution During Regional Tour

BK2102073491 Phnom Penh SPK in French 0433 GMT 21 Feb 91

[All quotation marks as received]

[Text] Phnom Penh 21 Feb (SPK)—"It is not necessary for us to wait for a peaceful settlement of the Cambodian problem to get down to developing the country, affirms Hun Sen, chairman of the State of Cambodia's Council of Ministers.

During his meetings with the people, authorities, and combatants in the northeast provinces as part of his inspection tour in the third week of February, Chairman Hun Sen recalled the results of the recent visit to Thailand by Cambodian Foreign Minister Hor Namhong during which the Thai side called for the establishment of a body within Camabodia's Supreme National Council [SNC] to rehabilitate Cambodia even before a political solution.

"If the other Cambodian side does not agree with this project, it is up to it; this is an initiative of the Prime Minister of Thailand, the asylum country of this group" said Hun Sen who stressed that the tripartite coalition has no intention of reaching a political solution and continues to act along this direction.

The chairman of the Council of Ministers said a political solution could be achieved in three stages: a voluntary cease-fire, followed by a cease-fire within the framework of an agreement, and then free elections.

Chairman Hun Sen talked about an enhanced role of the United Nations in supervising the general elections. He said, however, that the dismantling of the State of Cambodia's administrative structure is unacceptable.

Hun Sen informed the people and authorities of these northeast provinces, the majority of which are populated by ethnic minorities, of new developments in Cambodia and in the international arena. He also talked in detail about the successive concessions made by the State of Cambodia's government side to show goodwill in the search for a political solution and to end the war. He called on his audience to guard against the dark designs of the genocidal Pol Pot clique and its allies, Sihanouk and Son Sann, who are trying by all means to return to massacre the Cambodian people again.

On the military situation, the head of the government affirmed that "our enemies always try to topple us by force but four factors have prevented them from doing so. First, their armed forces have been scattered and it is impossible for them to regroup into large units; second, difficulties in moving arms and ammunition; third, difficulties in logistic supplies; and fourth, lack of necessary support from the population combined with bad geographical conditions.

"Our party and government do not want war", affirmed Hun Sen who continued: "But we will never accept the return to power of the genocidal Pol Pot clique or allow Sihanouk and Son Sann to return to Cambodia with Pol Pot behind them."

Hun Sen, also a member of the Political Bureau of the KPRP [Kampuchean People's Revolutionary Party] Central Committee, was accompanied by Bou Thang, a member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, chief of the General Political Department of the Armed Forces, and chairman of the Committee for the Development of the Northeast Zone; and many ministers. He also visited many localities in Mondolkiri, Ratanakiri, and Stung Treng Provinces.

Defense Minister on Recent Surge in Fighting

BK2002144291 Hong Kong AFP in English 1435 GMT 20 Feb 91

[Text] Phnom Penh, Feb 20 (AFP)—The Cambodian resistance has stepped up its military campaign in the last month but government counter-attacks have taken a heavy toll, Defense Minister General Tie Banh said here Wednesday. The senior official also said the resistance guerrillas were using Soviet-made T-54 tanks captured from Phnom Penh forces in 1989.

Eleven tanks had been lost but some were too badly damaged to be used again, he said. Previous reports had indicated that the resistance had a stock of Chinese supplied tanks, some of which were also used in the recent fighting.

The general said the surge in fighting had begun January 20 in the west and northwest of Cambodia.

The resistance, using artillery, infantry and tanks, had been "gradually escalating the war between January 20 and February 20." He said it was the first time the enemy had used the three forces together against the Phnom Penh military. But Gen. Tie Banh said that following government counter-attacks—mainly in the west and northwest—the resistance had retreated though were likely preparing for another offensive.

He said the counter-attacks in the month up to Wednesday by the regular army had killed 617 guerrillas and netted large supplies of weapons. These included more than 800 rifles, 150 tonnes of shells and ammunition, almost 900 mines, a recoilless gun and a 120 millimetre howitzer. In addition the military knocked out three tanks, including a brand new Chinese made T-58.

Gen. Tie Banh put government casualties at 58 killed and 157 wounded while 42 civilians lost their lives, 93 were injured and 28 "were kidnapped." The army chief said no government tanks were put out of action and the military had held its positions.

He also reiterated that the government had no plans to launch a major offensive against resistance positions such as the gem-mining town of Pailin.

The Marxist Khmer Rouge, military mainstay of the three party resistance coalition, hold the town located some 80 kilometres (50 miles) west of Battambang on the border with Thailand. The general said the government was "in the position of maintaining the status quo" and wanted a ceasefire but would counter-attack if the resistance launched fresh offensives. "We cannot sit still to let the enemy attack us," he said.

Gen. Tie Banh said the resistance had used artillery, tanks and infantry to attack positions near Phnom Kouk Mon, Svay Chek and one more district in Beantey Meanchey Province, where the two non- communist factions of the resistance are located. The Khmer Rouge had also used this combination in the Rattanamondul District of Battambang Province.

Nine tanks had been seen in the Svay Chek area, including the light U.S.-made M-113. The Khmer Rouge had shelled along Highway 10, linking Battambang to Pailin, from January 20 to February 8, while Svay Chek was shelled on January 30 and 31. Gen. Tie Banh also said the city of Battambang was now quiet following shelling on the outskirts February 10. He added that "if they have the possibility they will shell Battambang again." But he questioned the ability of the resistance to mount an effective offensive, noting that they lacked infantry units for such a task.

Military Activities in First Week of Feb

BK2102062891 Phnom Penh SPK in English 0444 GMT 21 Feb 91

[Text] Phnom Penh SPK February 21—According to military source, in the first week of this month the government forces put 629 enemy troops out of action in their riposte against the increasing attacks of the three opposition factions whose heavy guns also pounded away at many areas in the northwestern border provinces of Battambang, Banteay Meanchey and Siem Reap-Oddar Meanchey.

The same source gave details, saying that on January 29, the enemies fired thousands of artillery shells over Banan District, Battambang Province. Meanwhile, the provincial armed forces during clashes with enemy troops annihilated on the spot 85 adversaries, wounded 166 others and destroyed two enemy tanks.

On February 1st, a civilian was killed and five others were injured by the enemy's artillery shellings in the district of Samraong, Siem Reap Province.

On February 8, the coalition factions's gunners pounded the communes of Por and Bos in the district of Sangke, Battambang Province, causing eight civilians killed and 20 others wounded.

On the enemy side, 239 of them were killed, 248 wounded, 55 capitulated and 987 others forced to lay down their weapons. In the meantime, the government forces seized 302 firearms, 10 tons of ammunitions of various calibers, 159 mines and destroyed two enemy tanks and eight enemy hide-outs.

Banteay Meanchey Province, 360 km northwest of Phnom Penh, also did its best to defend its locality and maintaining security of the population by wiping out 390 enemy troops, including 190 of them died on the spot.

Phnom Penh Reports Combat Success of 8-14 Feb

BK2102080491 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Feb 91

[Text] In their counterattacks launched in the week of 8-14 February, our armed forces on all battlefields inflicted heavy losses on the enemies. For example, on 8 February, our armed forces in Treng [Battambang Province] repulsed the enemies, killing 15 and seizing three cannons, an automatic pistol, and three metric tons of assorted ammunition.

Meanwhile, the armed forces of Pursat Province killed five enemy soldiers, wounded four others, and seized four weapons.

In sum, during this period our armed forces put out of action 229 enemy soldiers—including 64 killed, 68 captured, 31 surrendered, and 66 wounded—and seized 194 assorted weapons, three metric tons of ammunition, 790 mines, an ICOM walkie-talkie, and a quantity of war materiel.

Chea Sim Closes KUFNCD Council Meeting

BK2002134391 Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Feb91

[Speech by Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council, at the ceremony to close the fifth session of the fourth KUFNCD National Council in Phnom Penh on 20 February—recorded]

[Text] With a high sense of responsibility, the fifth session of the fourth KUFNCD National Council, which achieved a fine result, was conducted according to the agenda, in an atmosphere of solidarity, and in correct response to the supreme objective of the party's mass motivating movement at present and in the future. The participants at the meeting actively expressed with all sincerity their views on their successes, shortcomings, and concrete experiences. They also presented a number of constructive suggestions, providing the opportunity for the meeting to successfully work out a plan of solidarity and unity in opinion, determination, and activity which is of vital importance for serving political and ideological works in this new stage and our KUFNCD's current task.

With vivid pleasure, the KUFNCD National Council accepted propositions raised at the meeting as groundwork for consideration and improvement, thereby working out new tasks for successful implementation in the years to come. The meeting acknowledged the correctness of the principled policy implemented by the Kampuchean People's Revolutionary Party [KPRP], which is the leading force of the State of Cambodia [SOC] and the core force of all political forces' national solidarity and unity.

The meeting unanimously endorsed the report correctly summing up and evaluating the global situation of our motherland, in particular the situation since the complete withdrawal of Vietnamese volunteer troops from Cambodia and that of the KUFNCD in 1990. It also set targets for implementation in the first semester of 1991 which have important political essence and significance.

To show its patriotism, love for the people, and genuine goodwill which are closely linked to our party's national reconciliation policy, the meeting adopted a resolution underlining the willingness to implement the front's well-defined objective. It called on compatriots both inside and outside the country to assist the front in marshalling joint efforts of the masses and people and turning them into a steadfast great national solidarity under the leadership of the KPRP to defend the nation's social gains, the party, and our new regime against the return of the genocidal Pol Pot regime. In the motherland's global situation in this new stage, the front is assuming the task of national defense and construction itself and is opposing the return to Cambodia of the genocidal Pol Pot regime. This more clearly shows the importance of the mass motivating work which, in all situations and under all circumstances, remains a core work and an indispensable key to achieving success and strengthening and developing our nation's social gains.

From the above-mentioned basic view, the meeting focussed attention on consolidating and expanding the activities, competence, and working feasibility of the front and mass organizations at all levels. This is to bring to success the front's actual role in linking the party to the state authorities, masses, and people in a new aspect of effectiveness and unanimity in conducting struggle in all fields all over the country.

On the development [illegible]he country's situation over the past 12 years, the meeting realized that our nation's survival has been safeguarded while we have been restoring and reviving everything which is the pulse of the society, national economy, culture, and civilization and the people's religious belief, interest, property, honor, dignity, and freedom.

Based on thorough study and analysis, the meeting highly valued the great efforts displayed by the KPRP and the Council of Ministers in surmounting all manner of difficulties and obstacles with the view of maintaining the nation's survival and promoting its prosperity in all fields. The KPRP and the SOC Government cleverly gathered and led the vigorous great national union force against the genocidal Pol Pot regime's return. Moreover, the meeting also paid high honors for the great efforts exerted by the KPRP, the National Assembly, and the Council of Ministers in launching the campaign against negative phenomena in the national society. This has opened a new important chapter in the political life of our nation. The meeting was firmly confident that the campaign will further strengthen and expand with the aim of providing new

impetus for developing the nation and protecting our people's rights, freedom, honor, dignity, and legitimate interests.

Our meeting enthusiastically welcomed the great successes achieved by our armed forces and people in 1990 in their counterattacks to defeat every adventurous activity carried out by the genocidal Pol Pot regime and its allies. This made the enemies' strategy and tactics suffer the most bitter and shameful setbacks.

On a political settlement of the Cambodian problem, our meeting expressed its unanimity with the principled stance adopted by the party and government of our SOC on safeguarding its authority and armed forces in order to maintain the political and military status quo which is of vital importance for the nation's survival and which is an effective weapon to prevent the return of the genocidal Pol Pot regime. In view of this, the meeting agreed to the party and SOC government's stance to continue their efforts with genuine goodwill to seek a political solution to quickly ending the conflict in Cambodia on the basis of implementing a cease-fire and preserving the political and military status quo toward organizing general elections under the United Nations' supervision.

We welcome the United Nations' role in a political settlement of the Cambodian problem providing the role is in conformity with the UN Charter and respecting the Cambodian nation's sovereignty and the Cambodian people's right to self-determination.

On behalf of our nation from all circles, the meeting wishes to acclaim the outcome achieved at the 20th session of the first National Assembly. At the session, the parliamentary members called on the National Assembly, the State Council, and the Council of Ministers to organize general elections in 1992 to elect new parliamentary members if a solution cannot be found for the Cambodian problem and the parliamentary term already expires.

The meeting fully supported the above-mentioned call and considered this a sacred request in conformity with circumstances and our SOC's Constitution and existing law. It also recommended that the National Assembly, the State Council, and the Council of Ministers take the supreme request into elaborate consideration. This is to comply with the resolutions adopted by the 12th party Central Committee and the 20th session of the first National Assembly. The meeting unanimously held that the KUFNCD and the mass organizations at all levels should think of establishing new working procedures in keeping with the state law so as to achieve working effectiveness in providing substantial benefit to our nation and, in particular to welcome our KUFNCD's 13th founding anniversary in 1991. 1991 is a year in which our struggle becomes zealous and decisive in the process of a political settlement of the Cambodian problem and in defending the nation's independence and sovereignty and the people's right to self-determination against the return of the genocidal Pol Pot regime.

The meeting was highly determined to do away with negative phenomena and other remaining problems in order to simultaneously improve our works everywhere. This is a contribution to our party and state's drive in administering the state and the economy.

Dear comrades and friends: Under all circumstances, through each new stage of our revolution, our task and the work of motivating the masses always remain valuable [words indistinct]. Party committees, state authorities, and mass organizations at all levels can neither be self-opinionated nor ignore the mass motivating work because the strength of the revolution is absolutely based on the masses. So, in this new stage of historic significance, all the cadres, party members, and armed forces should pay special attention on the mass motivating work and have confidence in the masses. They should struggle and serve the interest of the masses and the motherland.

I am firmly confident that the spirit of unity and experiences gained from this meeting will be translated by the participants, after they return to their respective localities, into concrete and vigorous actions making the process of implementing our mass motivating work in 1991 gain a new image of quality and efficiency [words indistinct] than previous years.

In conclusion, I would like to wish all Buddhist monks, the presidium, the meeting participants, and guests of honor the best of health and new, still greater success in the performance their tasks. On behalf of the presidium, I declare the fifth session of the fourth KUFNCD meeting closed as of the present time.

Chea Sim Receives Buddhist Monk From France

BK2102090391 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Feb 91

[Summary] On the afternoon of 20 February at the office of the Kampuchean United Front for National Construction and Defense [KUFNCD], Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, received Venerable [name indistinct], Buddhist monk living in France who has returned home on a fact- finding mission on Buddhism in our State of Cambodia following destruction by the genocidal Pol Pot regime.

Comrade Chairman Chea Sim informed the monk of the comprehensive revival in the State of Cambodia thanks to the Cambodian people's national defense and reconstruction efforts. Concerning Buddhism, the comrade said the party, state, and people have rebuilt monasteries, temples, and Buddha's images, and organized Pali courses for Buddhist monks, thus enabling Buddhist followers to carry out their religious activities.

Comrade Chea Sim also spoke on the international situation, particularly the issues concerning the political solution to the Cambodian problem.

The monk asked the government to provide facilities for him to compile a Khmer-Pali dictionary and other Buddhist books for monks and Buddhist followers to study.

Tie Banh Attends Air Defense Department Meeting

BK2102034291 Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Feb 91

[Summary] A solemn meeting was held at Pochentong Airport on the morning of 19 February to mark the fifth founding anniversary of the Air Defense, Air Force, and Aviation Department. Among those present were General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Major General Tha Thanchan, deputy chief of the General Political Department of the Cambodian People's Army; and Chhun Song, standing deputy secretary of the Phnom Penh municipal party committee. Also present were Soviet, Vietnamese, and Lao military attaches.

Colonel Keo Sophal, first deputy chief of the Air Defense, Air Force, and Aviation Department, read a report recalling the founding of the Defense Ministry's Air Defense Department and its achievements in the past five years. In his speech, General Tie Banh praised the development of the department and also exposed the perfidious maneuvers of the enemy. He called on members of the meeting to further strive to effectively carry out their duties.

Vietnam Helps To Build Hydroelectric Power Plant

BK2002125591 Hanoi Domestic Service in Vietnamese 0015 GMT 19 Feb 91

[Article by VNA Correspondent Nguyen Van Chinh in Cambodia]

[Summary] "O Chum is a hydroelectric power project with a 1,000-kilowatt capacity located 8 km north of the Ban Pung City in Ratanakiri Province, northeastern Cambodia. Situated in the middle of a vast mountainous region which abounds in rare timber and rubber trees is a lake containing more than 12 million cubic meters of water at an appropriate altitude. This fact has led technicians to think about building the O Chum project."

In September 1990, Water Conservancy Construction Enterprise No. 1 of the Region Four's Union of Water Conservancy Construction Enterprises of Vietnam sent its workers and equipment to the area to start construction work. "On 10 December the same year, a ceremony was held to officially launch the project. General Bou Thang, member of the Political Bureau of the Kampuchean People's Revolutionary Party, vice chairman of the Cambodian Council of Ministers, and director of the Gweneral Political Department of the Kampuchean People's Revolutionary Armed Forces, and chairman of the Commission for Consolidation and Development of the Northeastern region, stressed the significance of the project. Economically, once completed the project will provide electricity for daily life and production work in O Chum Township and Ban Pung City. The reservoir will be used to raise fish and to regulate the irrigation and draining of adjacent areas. The whole project can also be promoted as an exciting tourist attraction. This is the first hydroelectric power project in Cambodia built for the benefit of the various tribes in northeastern Cambodia, a fact reflecting the special attention paid by the Cambodian party and state to the ethnic minorities.

"The men who took charge of construction work in performing their international duty clearly affirmed that this project represented a new step forward in Vietnam-Cambodia relations and in their mutually beneficial cooperation. The total cost of more than $3.5 million dollars of the project was borne by Cambodia, while Vietnam was responsible for designing, construction, and providing equipment and machines."

Three months before construction officially began, trucks, concrete-mixer machines, and earth-moving equipment were sent from Vietnam as needed. In all, workers will have to move nearly 510,000 cubic meters of earth and pour almost 10,000 cubic meters of concrete. At the launching ceremony, construction site director Tran Dinh Quy pledged to complete the project three months ahead of schedule, that is, by September 1991.

Resistence Attacks Positions in Kompong Thom

BK2102021691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Feb 91

[Text] On 16 February, our national resistance forces launched a two-pronged attack against the Vietnamese enemy and puppets in Kompong Thom provincial seat. The first prong attacked the battalion position of the Vietnamese enemy aggressors and race exterminators and puppets at Vat Krachap, which forms the defense line for Kompong Thom town, and the second prong attacked the enemy position at Damrei Choan Khla. We killed seven and wounded 11 enemy soldiers and destroyed eight military shelters and some war materiel.

Indonesia

Suharto Meets Romanian Deputy Prime Minister

BK2002120491 Jakarta ANTARA in English 1116 GMT 20 Feb 91

[Text] Jakarta, Feb. 20 (OANA-ANTARA)—Romania wants to set up joint ventures with Indonesia to increase trade and economic relations between the two countries, Deputy Prime Minister Anton Vatasescu said after a meeting with President Suharto at Merdeka Palace here on Wednesday. He said his visit to Indonesia is aimed mainly at promoting the two countries' bilateral trade relations which are still small in volume.

I hope during my visit to Indonesia, the two parties will agree to cooperate in various fields such as fishery, agriculture, and industrial joint ventures, he said.

Vatasescu came to Indonesia as the guest of the coordinating minister for economic, financial, and industrial affairs/development supervisor, Radius Prawiro.

Vatasescu, who is also a minister of industries, said his country was ready to buy cocoa, coffee, spices, nickel, natural rubber, and wood from Indonesia.

When asked whether an increase in bilateral trade relations would face payment problems, Vatasescu said he guaranteed there would be no such a problem. Romania, he said, has paid all its debts totalling U.S. $12 billion in the last ten years.

At the same place, President Suharto also received Trade Minister Arifin Siregar and Junior Minister for Trade Sudrajad Jiwandono who had reported the results of their Romanian couterparts.

Sudrajad said trade between Indonesia-Romania is still relatively small, totalling around U.S. $48 million a year in favour of the latter. Various trade possibilities have been discussed, including counter-purchase. They want to buy a lot but the problem is how to pay for it, Sudrajad said.

Germany To Extend Soft Loan, Aid Agreement

BK2002133691 Jakarta ANTARA in English 0955 GMT 20 Feb 91

[Text] Jakarta, Feb 20 (OANA-ANTARA)—The German Government has approved to extend soft loan and grant aid to the Indonesian Government worth Deutsch Mark 120 million under the Inter-Governmental Group on Indonesia (IGGI) scheme.

Documents on the loan and grant agreement were signed here Wednesday by Puji Kuntarso, director general for foreign economic relations, Ministry of Foreign Affairs, on behalf of the Indonesian Government, and Ambassador Theodor Wallau representing the Federal Republic of Germany.

Puji Kuntarso told newsmen after the signing of the agreement that the soft loan totalling Duetsch Mark 107.45 million was repayable for 40 years with an interest rate of 0.75 per cent per annum, while the grant aid totalled Duetsch Mark 12.55 million.

According to Kuntarso, the loan would be used to finance several development projects, including the construction of Krian-Paiton power transmission network, and the expansion of 500 kw Suralaya-Cibinong-Bekasi sub-station projects and the Batam power plant project.

The grant aid will be used to finance the development of forestry management in East Kalimantan, the construction of clean water project in Kudus, Central Java and other study projects, he added.

The agreement is the realization of a previous accord between the two governments signed in Jakarta on November 14, 1990.

Industry Minister Views Exports in Current Plan

BK1902101291 Jakarta ANTARA in English 0907 GMT 19 Feb 91

[Text] Yogyakarta (Central Java), Feb 19 (OANA-ANTARA)—Indonesia's industrial export at the end of the current five year development plan (Repelita V, 1989-94) is projected to reach about 18 to 19 billion U.S. dollars, indicating an average growth of 15 percent per annum during the plan's five-year period.

To that end, the industrial sector during one period needs investment outlays of an estimated 30.67 trillion rupiahs (17 billion U.S. dollars), Minister of Industry Hartarto told a seminar on the policy of national industrial development here Monday. Investment in the small-scale industrial sub-sector is not included in the amount, he added.

With regard to job opportunity, the minister said that the industrial sector was expected to provide jobs for 2.3 million workers during the fifth five-year plan period, consisting of 1.5 million in the small industry, 730,000 in the mu'tifarious industry, 35,000 in the base metal and electronical industry and 35,000 in the basic industry.

The minister considered that the results of industrial development up to the end of the last five-year plan (Repelita IV) was encouraging in strengthening the national economy and have positive impacts on the national life.

For this reason, based on the policy adopted in Repelita IV, the government is determined to continue increasing the role of the industrial sector so that industry could become a motivator in the national development, he said.

Touching on the eastern region of the country (IBT), the minister said that the region has great potential in the industrial development.

The minister considered that supported by facilities, infrastructure and a sound business climate, the region has potential for the development of natural resources-processing industries for the utilization of the products of agriculture, forestry, oil, and non-oil mining.

Minister Urges Officials' Impartiality in Polls

BK1902100691 Jakarta ANTARA in English 0854 GMT 19 Feb 91

[Text] Jakarta, Feb 19 (OANA-ANTARA)—All government officials must be impartial toward all the three contestants of the 1992 general elections although personally they may be a supporter of one of them, Home Affairs Minister Rudini said.

All officials should implement existing legislations accordingly. In this, they should take no sides, Rudini told reporters after he met with President Suharto at Jalan Cendana [Cendana Street] on Tuesday.

Rudini, who is chairman of the National Organizing Committee of the 1992 General Elections, met the president to report about preparations for an all-Indonesia working meeting of provincial governors in Jakarta on Feb 25-27. The 27 governors will be received by the president on Feb 28 after their meeting.

One of the materials to be discussed by the governors is preparations for the general elections. The problem of development management, particularly concerning the use of limited funds, will also be discussed, Rudini said.

Every rupiah of the development funds should be accounted for in good manner, the minister said.

Rudini was asked about the organisational split among Indonesian lawyers who were now grouped in two conflicting parties, the League of Indonesian Lawyers (Ikadin) and the Association of Indonesian Lawyers (AAI). He said he was hoping that the lawyers of both sides would soon issue a joint statement on efforts toward reunification of their organisations.

He has been working intensively with lawyers from both camps on the efforts, he said.

Muslim Intellectuals Group Names Board Members

BK2002134091 Jakarta THE JAKARTA POST in English 14 Feb 91 p 3

[Text] Jakarta (JP)—Association of Moslem Intellectuals (ICMI) chairman M.J. Habibie announced yesterday the organization's board members and reiterated that ICMI has no links to any of the country's political groups.

Habibie, who is currently research and technology minister and was elected to lead the organization on Dec. 8 last year, said Emil Salim who is currently minister of population and environment would chair ICMI's advisory committee.

Akhmad Baiquni, former chairman of the national Atomic Energy Agency (BATAN), chairs the committee of senior experts who would also give advise to the chairman. Zufhal, a senior official at the research and technology ministry, chairs the assembly of department and section heads of ICMI.

The organization has no position of secretary general, which is reportedly in accordance with Habibie's wishes.

Speaking at a news conference attended by more than 30 of the organization's board members, Habibie said the newly formed ICMI had six departments.

The are the department of science and technology (chaired by Zuhal), the department of human resources development (chaired by a Watik Pratiknya), the department for the advancement of economically weak people (Fadel Muhammad), the department of organizational and institutional affairs (Muslimin Nasution) the department of people's education (Sucipto Wirosarjono), and the department of economic and social sciences (Darmin Nasution).

Among members of the advisory committee are transportation minister, Azwar Anas; cooperatives minister, Bustanil Arifin; information minister, Harmoko; home affairs minister, Rudini; businessman Aburizal Bakrie, political scientist Yuwono Sudarsono and literature expert H.B. Yassin.

Members of the senior experts committee include Moslem reformist Norkholis Majid, M. Dawan Raharjo, LIPI [Indonesian Academy of Sciences] chairman Samaun Samadikun, BKKBN [National Family Planning Coordinating Board] chairman Haryono Suyono, director general of correctional affairs Baharuddin Lopa, economist Sri Edi Swasono, and Muhammadiyah's vice chairman Amien Rais.

Habibie said ICMI would establish 17 chapters in provinces throughout the country during the coming months.

Explaining the mission of the organization, Habibie said the group would help "improve the quality of life, workmanship and ways of thinking of Indonesians in general and the country's Moslems in particular."

"ICMI is a cultural organization which groups scientific and intellectual figures and is open, free and independent," Habibie said, quoting the organization's constitution which was also announced yesterday. ICMI was also a mass organization having a religious character, he said.

On the concrete activities envisaged for ICMI, Habibie said the organization would not establish bodies like laboratories and banks if others could do it. "ICMI could, however, suggest that LIPI (Indonesian Institute of Sciences) set up and run laboratories," he explained.

The organization's constitution requires that ICMI promote communication among Moslem intellectuals and with other organizations and individuals. ICMI, its constitution says, is to take an active part in developing education in Indonesia and in improving the quality of the country's citizens.

Habibie said the members would prevent the organization from being manipulated by others.

Philippines

Agreement Reached With U.S. on Bases Troop Cuts

HK2102042791 Quezon City MALAYA in English 21 Feb 91 pp 1, 7

[By Ellen Tordesillas]

[Text] The Philippines and the United States yesterday agreed to limit the number of U.S. military men stationed in Clark Air Base to 7,813 upon the expiration of the current bases agreement in September this year, a source close to the Philippine panel said.

The agreement on the U.S. force level was reached by the technical committee on defense issues in the Philippine-American Cooperation Talks. The technical panel is co-chaired by Defense Undersecretary Feliciano Gacis and U.S. Admiral Ted Baker.

U.S. force level means the number of people reasonably required for the operation, maintenance and security of the U.S. facilities.

Foreign Secretary Raul Manglapus, Philippine panel head, said: "We want to cut the Americans to (a) brotherly size. They are far too big and fatherly. We want to be their friend. We don't want to be their protege."

Manglapus also said the compensation package to be agreed upon would likely convince senators into approving a new bases treaty.

The Philippines has proposed a deal allowing the U.S. continued use of the bases for seven more years in return

for $825 million per year. The U.S. wants to stay 10 years for less. At present it pays $481 million a year.

In Washington, meanwhile, State Department spokeswoman Margaret Tutwiler said on Tuesday the U.S. joined the Philippines in predicting an early agreement on continued use of military bases there.

"We believe that final agreement can be reached soon," she said, adding negotiations were "basically concluded" although technical experts remain in Manila to work out final details on some technical issues.

Talks ended Saturday without an agreement on how much the U.S. would pay to use the bases. More talks on the issue are expected in Washington later this month.

The new Clark force level of 7,813 compares with the almost 10,000-strong U.S. presence in Clark last year.

It is not known what force level was set for Subic Naval Base.

Both panels also agreed that the U.S. force level in Clark would be further reduced to 6,800 in 1992.

The 7,813 includes both military and civilian personnel assigned to the 13th Air Force, Military Airlift Command, 33rd Special Operations Wing and Training and Support Function.

It was also agreed to allow up to 1,000 transient U.S. forces for training exercises here.

On the control of installations at Clark, the Philippines was given supervisory control of the Airmen's Club and coconut [as published] which will be jointly used by Philippine and American forces.

Of the 18 clusters, four of the areas to be jointly used will be controlled by the U.S. namely the weapons storage, weather radar station, sewage treatment facility, base laundry, and power station.

The U.S. will also have supervisory control over the firetruck station, post office, NCO club, chapel, youth center, and tennis courts.

The U.S. will have exclusive use of the main supply defense Reutilization Management Office and mortuary. There is no single area in Clark where the Philippines will hve exclusive use.

The Philippines had revised its earlier position of immediate takeover of Clark in September 1991 and agreed that under a new treaty. U.S. armed forces would continue to stay in both Clark and Subic for seven more years.

Compensation, the remaining unresolved issue, is expected to be finalized next week by Manglapus in Washington.

Manglapus indicated the other day the Philippine demand of $825 million a year is negotiable as long as the U.S. agrees to the Philippine request of cash grants to be used for the debt reduction program.

Manglapus said the signing of the treaty will be in March in Manila.

A treaty will have to be ratified by both the Philippine and U.S. Senates.

Manglapus said, "I think the Senate would just have to be realistic and accept, the reality that even if we took over Subic tomorrow, we would not be in a position to operate it commercially (and) profitably for the benefit of the Republic.

"I think the treaty will benefit the people in that first, we will be able to assert our sovereignty when we take over Clark to prove that we are in control of these two bases.

"Second, I think we are on our way to receiving compensation that will be very useful."

Manglapus Says No Secret Deal With U.S.

HK2102103091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Feb 91

[By Cesar Chavez of Unit No. 9 from the Senate]

[Text] Foreign Secretary Raul Manglapus assured the Senate that there will be no secret negotiations between the Philippines and the United States regarding the U.S. military bases when he goes to Washington D.C.

The statement was made by Manglapus in a briefing attended by senators headed by Senate President Jovito Salonga, wherein they questioned the Philippine panel's softening position regarding the dismantling of the military bases.

Manglapus further added that should there be another treaty, it will be signed in the Philippines and not in Washington. Manglapus also reported that there is no final agreement by the two panels but admitted that the Philippines has forwarded its position on the amount of compensation which is $820 million yearly within the seven-year retention period. The United States on the other hand is offering only $520 million yearly within a ten- to twelve-year retention period.

Manglapus also assured the senators that the Philippines will not enter into any agreement if the compensation issue will fall in their so-called best effort pledge.

[Begin Salonga recording in English] Actually, what Secretary Manglapus told us was that there would be no treaty signed in Washington. I think he made it clear that they would consult with us here. [end recording]

Manglapus on Need for Regional Security Alliance

HK2102023191 Manila Far East Broadcasting Company in Tagalog 0100 GMT 21 Feb 91

[Text] Foreign Affairs Secretary Raul Manglapus said the Philippines will emphasize the need for the establishment of a regional security alliance in Southeast Asia in preparation for the expected pullout of the U.S. facilities from the Philippines starting in 1998. According to Manglapus, technical discussions on the alliance will begin in Manila in April this year. Manglapus stressed that the Philippines will no longer allow the presence of U.S. facilities in the Philippines after 1998.

IMF Approves Economic Stabilization Program

HK2102095391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Feb 91

[Text] The IMF has approved the country's economic stabilization program for the next 18 months. This was announced by Finance Secretary Jesus Estanislao in Malacanang after a meeting with President Aquino. The IMF action means it will grant new loans for the government's economic program.

Meanwhile, President Aquino expressed gratitude after hearing from Jesus Estanislao the IMF's decision. It is said that the government is set to receive $400 million in the next few days as part of the first batch of loans under the program. Here is part of Finance Secretary Jesus Estanislao's statement through DZRH Unit 6, Dick Sinchongco:

[Begin Estanislao recording in English—in progress-]...much higher than the total of $764 million that we have calculated on earlier. I understand that we've got very strong support from most countries, but particularly from the United States, Japan and Saudi Arabia. Of course, the other countries that we have talked with have decided for security, including the FRG [words indistinct]. But it means that this first step has finally been taken, and it is the key to the other sources of funds that we intend to tap. As you already know, a bigger portion of the foreign loan, foreign exchange loan that we expect would be through ODA [Official Development Assistance]. Even if this amount would be higher than what we had originally expected, this is a whole better [word indistinct] of the total ODA. [end recording]

Debt Officials Reject IMF Letter Disclosure

HK2102043591 Manila PHILIPPINES NEWSDAY in English 21 Feb 91 pp 1, 2

[By Ros Manlangit]

[Text] Debt officials yesterday invoked national interest as they turned down repeated attempts by senators for a full public disclosure of the contents of the disputed Letter of Intent (LOI) the country has submitted to the International Monetary Fund (IMF).

But Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia Jr. yielded to the insistence of the solons on condition that the LOI terms be discussed in executive (closed-door) session.

After the emerged from the closed-door hearing, not one of the solons or the economic officials said anything about what transpired.

Manila is expecting word any time today from Washington about the IMF approval of the LOI and the attached Memorandum of Economic Stabilization Program, said Estanislao.

Estanislao, head of the Philippine debt panel, told a joint Senate hearing that too much of the country's "strategic interests" were inscribed in portions of the LOI, and detailing in public sensitive monetary targets would destabilize the financial markets. He added that full disclosure could trigger adverse speculations in the local financial sector that would affect national economic targets.

Estanislao, for weeks a constant target of Senate criticism, appeared with Cuisia at the joint hearing of the Senate committee on economic affairs and finance chaired, respectively, by Senators Vicente Paterno and Neptali Gonzales, which heard a resolution by Sen. Alberto Romulo calling for an inquiry into the LOI and its effects on the economy.

Senators alternated in questioning Cuisia and Estanislao on why Congress had been left out in the formulation of economic policies, which fall under its responsibility, while allowing foreign institutions such as the IMF and World Bank free access to such programs.

Estanislao denied any effort to hide the LOI from Congress except for a portion which contains sensitive monetary plans.

"All our actions fall within the purview of official functions and within provisions of the Constitution," Estanislao said, apparently reminding the solons about the wide prerogatives of Malacanang over the foreign debt issue.

According to Estanislao, IMF approval of the LOI would immediately lead to the following:

—Extension of contingent financial support under an 18-month standby arrangement;

—Formal holding of the Philippine Assistance Program pledging session in Hong Kong on February 25 to 26 with prospects of over $2 billion in offers of assistance;

—Rescheduling by late April or mid-May this year of the loans from the Paris Club members falling due;

—A two-year extension of the revolving trade credit facility, release of the third tranche of the new money agreement of 1990 and aproval of co-financing options that will enable bank creditors to provide continuous support to the Philippines.

Estanislao also disclosed that after these agreements, the Philippines could pursue new debt relief initiatives. He, however, would not say what new strategies or approaches will be followed.

In an eloquent defense of the LOI, Estanislao said the country had practically no other options nor did it have any more time in pursuing its economic stabilization program except to seek the help of the international community of nations.

"Can we go and grow on our own?" asked Estanislao as he chided critics of the economic programs for exaggerating their display of patriotism and public concern. He said suspicions of economic treason often belittle the knowledge, independence of mind and commitment to the national cause of our own economic and financial officials.

During the hearing, he also said that the Philippines has now become overdependent on Japan for official development assistance [ODA] to the tune of 40 percent of all ODAs.

"It is not to our strategic interest to be dependent on one country for help, no matter how friendly that nation is," Estanislao stressed.

Finance Secretary Sees Increased IMF Aid

HK2102043991 Manila THE MANILA CHRONICLE in English 21 Feb 91 p 1

[By Lito Zulueta]

[Text] The International Monetary Fund (IMF) will increase by as much as $200 million a new money facility being sought by the Philippines, a strong sign the country will get the approval of its economic stabilization program by the IMF board today, Finance Secretary Jesus Estanislao said last night.

He said his "sources" at the IMF had informed him the multilateral institution would grant the Philippines from $856 to $906 in new money, an increase of from $150 million to $200 million from the Philippines' original request of $706 million.

The government is seeking the approval today of its economic stabilization program, to pave the way for the release of the $706 million.

The approval is considered a seal of good housekeeping for the government and will pave the way for more loans and grants.

In addition, approval of the program is needed for donor countries to decide to pledge new commitments to the Philippine Assistance Program, which holds its second pledging session in Hong Kong on Feb. 25.

The increase in the IMF's new commitment [is] 27% higher than its original commitment. "We will be getting a much bigger amount," said Estanislao.

Official Rules Out Economic Recession

HK2102044791 Manila THE MANILA CHRONICLE in English 21 Feb 91 pp 1, 8

[By Johanna Son]

[Text] A National Economic Development Authority (Neda) official yesterday ruled out an economic recession as he asserted that the government program submitted to the International Monetary Fund (IMF) was ensuring the stabilization of the economy.

Ponciano Intal Jr., Neda deputy director general, said the economic program reached with the International Monetary Fund had improved projections for growth and inflation rates that were recently revised downwards.

Intal said that without the IMF program, the Philippine economy would have grown by only 8% in 1991 and 1.2% in 1992. Inflation had been expected to average 14.5% this year.

But the new program allowed the country to arrest the decline that began in early 1990 and threatened to push inflation and unemployment even further, Intal said.

With the IMF program, Neda projects a growth rate for 1991 of from 1.5%, and up to 4% in 1992. (The IMF program lists a target of 3.5% GNP growth by 1992). Inflation rate for 1991 is targeted to average 9.5% and 7% in 1992 under the stabilization scheme.

The growth rates are still "somewhat low but the program is (only) meant to stabilize the economy," Intal said, adding that the changes in macro-economic policy listed under the IMF-approved scheme were beginning to bear fruit.

For instance, interest rates have been falling since January.

"So I don't believe there would be a recession," Intal said.

"This program is far better than the one we had in 1985," Intal pointed out. Without the program, he added, inflation may well have hit 25% by now.

However, he said unemployment was still expected to rise by 500,000 this year, despite better economic prospects, because of the fall in growth rate projections from an original 6.5% to the current 1.5%.

That would put the total number of unemployed at some three million, including the yearly entrants into the labor force of 800,000.

Intal was reacting to concerns raised by the Freedom from Debt Coalition, which said the Philippines may post a negative growth or go into recession because of an economic slowdown.

Central Bank Gov. [Governor] Jose Cuisia Jr. reported to the Senate other targets of the economic stabilization program, among which was the reduction of the public-sector deficit ratio to GNP from 3.7% in 1991 to 2.5% in 1992.

BOI-Approved Investments Higher Than Expected

HK1802040291 Manila BUSINESS WORLD in English 18 FEb 91 p 2

[By Liza A. Solano]

[Text] The Board of Investments [BOI] approved last January a total of 151 projects with proposed investments amounting to P [peso] 10.3 billion. This is higher than what was expected for the period, Trade and Industry Undersecretary Gloria M. Arroyo said last Friday.

She said the same trend was observed in December 1990 when some P10 billion worth of projects were also approved. An additional P15 billion in planned investments is expected to come in soon.

In January last year, BOI-approved projects were much higher at $722 million (or P166.24 billion at P22.50=$1, the rate at end- January, 1990) despite the expected negative impact of the December 1, 1989 coup attempt on the flow of investments.

The agency had then scaled down its investment target for 1990 from P80 billion to P69 billion. Projects for this year were also lowered from P100 billion to P85 billion.

The flow of investments in the country is expected to slow down as a result of the imposition of the 9% import levy, high interest rates, shortage of foreign exchange, weaker local and global markets, delayed credits for incentives and the war in the Persian Gulf.

A memorandum submitted by Meynard Orbeta, BOI's director for planning and research, to the BOI Board of Governors last February 13 said the 151 approved projects include 57 new and expansion projects registered under Book I of the Omnibus Investments Code of 1987 (Executive Order 226).

These projects will involve investments of P9.5 billion and will directly employ 7,990 people when fully operational.

REGIONAL SHARE

Twenty plants will be set up in Region IV; 16 in the National Capital Region (NCR); and 10 in Region III.

Region VII, however, will receive the most investments among the regions because of the P3.7-billion cement plant to be set up in Carcar, Cebu by Millenium Industrial Commercial Corp.

On the other hand, the NCR will get the biggest share interms of employment due to the 2,260 workers required by the P252 million semiconductor devices plant to be set up by Technology Electronics Assembly and Management in the FTI complex.

Of the total approved projects, 46.6% (P4.8 billion) constitute equity investments.

Majority or 66% of capital infusions are by Filipino investors. Almost P2.3 billion of local investments will be placed in companies owned 100% by Filipinos.

FOREIGN INVESTORS

The Japanese continue to be the leading foreign investors in the country with P834 million, 91.6% of which represents additional equity in UNIDEN Philippines, Inc.

Korean investors will bring in P321.4 million, of which P287.1 million is accounted for by Best Chemicals and Plastics, while the Americans will invest P241.1 million (P189.9 million in the polypropylene resins plant of Petrochemical Corp. of Asia-Pacific).

OTHER MAJOR PROEJCTS

Other major projects approved in January were the P500 million steel billets plant of Luzon Iron and Steel Mills; the P538 million modernization of Fort Ilocandia Resort Hotel; and the P512-million modernization of Hotel Inter-Continental Manila.

The manufacturing sector represented the bulk of investments with 49 proposed projects estimated to cost P8.3 billion.

In terms of project cost, construction and housing components accounted for the biggest investments among the manufacturing subsectors with P3.7 billion.

"Only power generator and auxiliary projects surpassed manufacturing in number with 78(projects) but this is a special priority area which was closed starting January 2," Mr. Orbeta said.

The BOI allowed tax- and duty-free importation of generator sets to enable firms to switch to standby power sources during the regular power outages in the summer of 1990.

Tourism-related projects represented the biggest investments next to manufacturing at P1.4 billion.

Mr. Orbeta said "the report excludes data on permitted investments which have not yet been submitted by the Securities and Exchange Commission."

Japanese Firms Criticize Import Levy

HK2102045191 Manila PHILIPPINES NEWSDAY in English 21 Feb 91 p 8

[By Bienvenido M. Perez]

[Text] For the government's fiscal planners, the imposition of the 9 percent import levy may turn out to be a humbling rebuke. Already, the country's biggest investors are warning that the economy's worst fears may just be around the corner because of this midstream change in fiscal policy.

The Japanese Chamber of Commerce and Industry in the Philippines Inc., which represents 170 Japanese member-firms now doing business in the country, said the controversial levy is a "great disincentive" that has turned off foreign investors.

In a position paper recently submitted to the Department of Trade and Industry, the chamber urged the government to either completely recall or drastically reduce the levy provided under Executive Order No. 443 to save not only large-scale operations but also small- and medium-sized enterprises from ruin.

Chamber president Shinji Suzuki pointed out that the sudden imposition of the 9 percent ad valorem duty will mean a significant increase in Japanese outfits' capital expenditures and may imperil the viability of their projects.

"We are afraid that the Japanese companies whom this chamber (or its members) have been encouraging to relocate their manufacturing facilities to the Philippines, expand those already established, or to participate in joint venture manufacturing operations in this country would be seriously deterred," Suzuki said. The likely result: potential investors may transfer their investments to other Southeast Asian countries, he added.

The new levy, Suzuki said, is a telling example of the government's unpredictability. He noted that government policy on investment incentives (such as the tax-exempt importation of capital equipment by outfits registered with the Board of Investments [BOI]) must be clear and constant to boost confidence in the government.

To date, the levy is forcing export-oriented companies to jack up their selling prices, making them uncompetitive in

overseas markets against outfits established in countries like Indonesia, Thailand and Malaysia which have no similar tax scheme.

A mosty indefensible argument against the levy, according to the chamber, is that it is biased against BOI-registered companies, dominated by aggressive Japanese enterprises. Susuki stressed that firms registered with the Export Processing Zone Authority are exempt. "It has been alleged by certain quarters that this is not only unreasonable and unfair but, as we understand it, may likewise be constitutionally indefensible from the view point of the equal treatment and non-discrimination clause in the Philippine Constitution," he said.

The saddest part in this whole situation, Suzuki emphasized, is that government efforts to resuscitate small-and medium-sized enterprises "may regrettably fail" because of the new levy.

Ultimately, he said, they cannot hope to compete. With the levy, acquisition of key capital equipment will be far too expensive for these small- and medium-sized manufacturing operations to make. Thus, Suzuki said they cannot expand, cannot diversify or cannot even import replacement parts or repair and maintain items.

The chamber said the alleged gain the levy would generate will actually pale beside the losses it will cause—foreign exchange earnings, jobs, downstream manufacturing facilities and new technologies, among others.

Senators Propose New Election Code

HK2102044391 Manila THE MANILA CHRONICLE in English 21 Feb 91 p 8

[By Johanna Son]

[Text] Twenty senators, led by Senate President Jovito Salonga, filed yesterday a new election code that aims to enure the "integrity" of the 1992 and future polls.

The authors of the 195-page bill are multipartisan, including Sen. Neptali Gonzales, president of the Laban ng Demokratikong Pilipino [Struggle of Philippine Democrats], and Sen. Aquilino Pimentel, head of the PDP-Laban [Pilipino Democratic Party-Nation's Strength].

"The forthcoming elections may well mark the turning point towards restoring political normalcy in our democratic processes," said the bill's authors, many of whom are expected to run in the May 1992 polls.

Among the major changes introduced by the new code are regulations on campaign spending, increases in amounts candidates are allowed to spend per voter and changes in the campaign period for national and local officials.

The bill increases from P [pesos] 1.50 to P3 the amount a candidate may spend for each voter, which would mean a P90-million expense for a national campaign based on estimates that there would be 30 million eligible voters next year.

That amount may be raised to P4 per voter if the Commission on Elections [Comelec] decides to adjust levels in cases of "extraordinary inflation and recession."

Moreover, the bill would shorten the campaign period for candidates for congressmen and local officials from 60 to 45 days. On the other hand, it would lengthen from 60 to 90 days the campaign period for those running for President, Vice President and senator.

The new code—filed 15 months from the 1991 elections, would also regulate campaign spending by requiring candidates to issue Comelec- printed, pre-numbered receipts for every campaign contribution received.

It also widens the scope of prohibited donations by candidates and their parties such as sidewalks, street lights, basketball courts and other structures for public use during the campaign period.

Under the bill, the Comelec would have jurisdiction over pre- proclamation disputes.

The Senate and House electoral tribunals would settle disputes of seats already assumed by candidates, while the Supreme Court would be the final arbiter of election contests involving local officials.

Other provisions of the code include:

—Requiring candidates to state in their certificates of candidacy their citizenship and the political party they ran under in previous polls.
—Giving the Comelec the power to summarily abolish ghost barangay and precincts.
—Directing the Comelec to print and distribute copies of the Omnibus Election Code and to allow political parties to reproduce them.
—Allowing the summary removal of prohibited election propaganda.

The senators said there was a need to "overhaul" election laws "to restore the ballot box as the faithful repository of the people's will."

Ex-Agrarian Chief Leading Presidential Contender

HK2102084091 Manila MANILA BULLETIN in English 21 Feb 91 pp 1, 18

[Text] Former agrarian reform secretary Miriam Defensor Santiago reinforced her position as the leading presidential contender in the country by topping the latest presidential survey conducted nationwide, in both urban and rural areas, by the Social Weather Station [SWS].

The latest SWS polls were conducted November to December, 1990, throughout the country, including Metro Manila, with 1,200 respondents.

An earlier survey in Metro Manila alone had shown Santiago on the lead.

The question was "Who is your preferred presidential candidate?"

Respondents ranked Santiago (23 percent) as the most preferred presidential aspirant for the 1992 polls. She was

closely followed by Sen Joseph Estrada, 21 percent; President Aquino, 19 percent; Sen Jovito Salonga, 17 percent; and Defense Secretary Fidel V. Ramos, 13 percent.

Vice President Salvador Laurel and Sen Juan Ponce Enrile, were both preferred by eight percent of the respondents.

Other names mentioned were those of Speaker Ramon Mitra, seven percent; businessman Eduardo Cojuangco, five percent; former First Lady Imelda Marcos, four percent; and Fernando Poe Jr, two percent.

Sen Aquilino Pimentel, Jr Armed Forces chief Rodolfo Biazon, and Sen Orlando Mercado were chosen by one percent of the respondents.

In Greater Manila Area, which pollsters consider as the harbinger of political trends, 45 percent favor Santiago, followed by Estrada at 31 percent.

Others favored were Ramos, 20 percent; Salonga, 18 percent; Mitra, 14 perent; Enrile, 12 percent; Aquino and Laurel, each 10 percent; Cojuangco, six percent; Imelda Marcos, four percent; Fernando Poe Jr, Pimentel, and Biazon, three percent; and Mercado, one percent.

The survey, however, also asked the respondents to list their three preferred presidential candidates and in this part of the survey, Estrada led with 41 percent, followed closely by Santiago with 39 percent.

The rest of the names: percent; Salonga, 37 percent; Aquino, 31 percent; Ramos, 29 percent; Laurel 19 percent; Enrile, 16 percent; Mitra, 12 percent; Cojuangco, nine percent; Imelda Marcos, eight percent; Pimentel, five percent; Biazon, three percent; and Chief Justice Marcelo Fernan, two percent.

Santiago has been a consistent topnotcher in various presidential surveys of the Social Weather Stations in Greater Manila Area, ABS- CBN, [Alto Broadcasting System-Chronicle Broadcasting Network] Consumer Pulse, and Business-World, among others.

RAM-SFP Admits Killing 2 Intelligence Agents

HK1702020091 Quezon City Radyo ng Bayan in Tagalog 0100 GMT 17 Feb 91

[Text] The RAM-SFP [Reform the Armed Forces Movement-Soldiers of the Filipino People] has claimed responsibility for the killing of two armed forces counterintelligence command agents in Makati last month. This was contained in an open letter seized from an arrested official. The group warned it still aims to liquidate more [enemies] due to the arrest of several RAM-SFP officers.

For its part, the Young Officers Union said in a statement it has not changed its aim to free the country from foreign control despite the recent arrests of its leaders.

Thailand

Communications Minister on Air Talks With U.S.

BK2102012991 Bangkok BANGKOK POST in English 21 Feb 91 p 24

[Excerpt] Transport and Communications Minister Samak Suntharawet yesterday demanded that the country's aviation team place national interests above Thai Airways International efforts to limit the number of flights here by U.S. carriers.

Mr Samak said the importance of the tourism industry meant more airlines should be encouraged to use Bangkok as a regional hub.

The minister's comments follow newspaper reports quoting an unnamed ministry source as criticising Mr Samak's lack of authority over the Thai-U.S. air negotiation team made up of Transport and Communications Permanent Secretary Siphum Sukhanet and his deputy, Mahidon Chantharangkun.

The criticisms of Mr Samak come soon after he was quoted as favouring an extension of the Thai-U.S. air services agreement talks by another season.

The extended talks are seen as an attempt by the two governments to salvage the aviation links damaged by recent disputes over flight frequencies.

Mr Samak said yesterday he had agreed to extend the period of negotiations as both sides needed time to work out a new agreement offering mutual benefits.

Efforts at normalisation have been opposed by some ministerial officials who claim Mr Samak does not have the authority to affect the Thai aviation team's decisions.

Mr Samak yesterday said he was surprised by these charges as the aviation team came under his ministry's jurisdiction. He said he would ask the team himself whether he had any authority over its members' activities.

The minister said the national interest came first and he would not tolerate 'heroes' putting the country's tourism industry at risk. [passage omitted]

Patent Law Welcomed by Businesses, Investors

BK2102094991 Bangkok Domestic Service in English 0000 GMT 21 Feb 91

[Text] Industrialists and businessmen in Thailand expressed satisfaction over the newly drawn up version of the patent law extending protection to many new lines of products and the coverage period for new inventions from 15 to 20 years. The executive director of the Council of Chambers of Commerce in Thailand, Prayun Thaloengsi, said that drafted patents law is expected to make international trade more smooth as the climate is improved. It is certain to give foreign businessmen assurances and investment will be more induced. The new bureau [as heard] on patent protection which has been drawn up by the Ministry of Commerce will be more in line with international practice. Extended protection covers pharmaceutical products, food items, beverages, agricultural machine tools,

and and biological formulas. The coverage period will be extended from 15 to 20 years. The law is expected to encourage more Thai inventors to present their works and put their ideas into practice. As for the expected increase in prices of drugs and other pharmaceutical products, Mr. Prayun said that the government can solve the problem by means of revising the laws to tighten control on fair trade and to break monopolies.

Report Views SRV Foreign Policy Prospects

BK2102021591 Bangkok THE NATION in English 21 Feb 91 p A8

[By Kawi Chongkitthawon in Hanoi]

[Text] A markedly new line in Vietnamese foreign policy is emerging, as demonstrated by a draft political report of the Communist Party of Vietnam that will be made public soon. The report represents a compromise between those who stress Vietnam's ties with other Indochinese countries and China, and a line of thinking calling for improved relations with industrialized capitalist countries.

As a result, Vietnamse foreign policy in the 1990s is expected to be more neutral, with an emphasis on developing ties with all countries irrespective of their economic systems or political ideologies.

As one senior Vietnamese official puts it: "Vietnam can no longer afford enemies. We need all the help we can get."

Still, differences do exist among Hanoi's policy-makers. One distinctive line of thought advocates closer ties with China and neighbours in Southeast Asia. The other line stresses the need to restore or improve ties with North America, the European Community and Japan.

But in any case friendship and cooperation with old friends and allies like Laos, Cambodia, the Soviet Union, Cuba and India will remain high on Vietnam's foreign policy agenda.

Because of the mounting economic crisis in the Soviet Union, Moscow has informed Hanoi of its intention to revise the framework of their relations. Beginning this year, trade between the two countries wil be based on hard currencies at world market prices, instead of the old preferential system that Moscow employed during the Cold War era to tie socialist countries to the Soviet bloc.

Soviet aid to Vietnam will also be reduced beginning this year when bilateral economic projects and joint ventures wil be carried out under a "more equitable" basis.

In the report, the system of "special relations" that used to feature prominently in Vietnam's ties with Laos and Cambodia was also omitted. Hanoi indicated the impending end to the special relations system as early as 1989; consequently, both Vientiane and Phnom Penh have started looking for new trading partners and sources of economic aid.

Hanoi has recently concluded new bilateral trade and economic cooperation protocols with Vientiane and Phnom Penh, which include trade on the basis of hard currencies and world market prices. This is in line with Hanoi's ongoing attempt to adapt the centrally-controlled Vietnamese economy to the market system.

The new trading policy reflects Hanoi's attempt to be more realistic in external trade and government-to-government ties. But at the same time the Communist Party will continue to maintain party-to-party relations with its counterparts in other socialist countries.

It is interesting to note that the report failed to mention by name Eastern European countries that have abandoned socialism. The rise of democratic governments in that region has weakened or ended the party-to-party ties Vietnam had with those countries.

"The Vietnamese communist party is very powerful unlike the weaker communist parties in Europe. Party-to-party ties can never be the same again," notes a Soviet diplomat here.

The major preoccupation of Hanoi's foreign policy planners now is how to handle fragile Sino-Vietnamese relations.

The party's report calls for an acceleration of all efforts in normalizing ties with China and to broaden cooperation between the two socialist countries on a step-by-step basis. It no longer uses the epithet of "hegemonic power" in its references to China.

The report emphasizes the need to settle the Cambodian conflict through a comprehensive political settlement. The 12-year-old conflict has bitterly divided the two countries, with Hanoi backing the Phnom Penh regime and Beijing supporting the Khmer Rouge and its resistance allies.

Another major area of friction between Hanoi and Beijing is their conflicting claims over the Spratley islands in the South China Sea. The report says this problem should also be resolved by a political settlement.

As long as Cambodia and the Spratleys remain unresolved, Hanoi will likely try to maintain a balance between its ties with China and Southeast Asia, particularly the six members of ASEAN.

A Vietnam that allies closely with ASEAN will stir up tensions with China, whereas a Vietnam that returns to the Chinese fold will arouse suspicion in the ASEAN Six.

This week Vietnam's state-controlled mass media began to highlight the importance of Sino-Vietnamese cross border trade in Lang Son and Quang Ninh provinces, saying that the trade has benefitted both sides and contributed to the normalization of ties between the two countrties.

Those who advocate developing closer ties with Northern Europe, the EC and Japan point out that most of these countries, particularly Finland, Sweden and Japan have paid little attention to the US-led economic boycott of Vietnam imposed as a response to the Vietnamse invasion of Cambodia in December 1978.

These countries are seen as having political stability, predictable foreign policy, technology and capital to aid and invest in Vietnam, which many countries in ASEAN

lack. European investment has been prominent in assisting petroleum exploration in Vietnam in recent years.

The EC as a group has also emerged as a leading donor of economic aid to Vietnam, partly because of the European concern to help stem the flow of the boat people from Vietnam. Recently the EC donated US$14 million (Baht 350 million) for a six-month pilot project on the rehabilitation and reintegration of boat people voluntarily returning to Vietnam from their holding camps in Southeast Asia and Hong Kong. The EC will likely inject more money into this project if it proves successful.

Japan has also gradually emerged as a major investor and trading partner for Vietnam. Several leading Japanese corportions have opened offices in Hanoi and Ho Chi Minh City and do busines openly with their Vietnamese clients, without concern or fear of protest by Washington or ASEAN. The United States and ASEAN had objected to early Japanese economic presence in Vietnam while Vietnamese troops were occupying Cambodia. Hanoi withdrew its forces from Cambodia in September 1989.

Hanoi has quickly adjusted to the sudden influx of Japanese businessmen and welcomed Tokyo's expressed interest in taking an active part in the reconstruction of Cambodia after a political settlement.

The party's report also mentions Hanoi's desire to normalize ties with Washington while the Cambodian conflict is being resolved through the international peace process. While there is little progress in the US-Vietnamese normalization of ties, Hanoi will continue to develop ties with Northern Europe, the EC and Japan in order to offset the impact of the US-led economic sanctions.

One recent positive development in US-Vietnamsse ties was that Vietnamese resettled in the United States can now legally remit funds to their relative in Vietnam through international banks. Previously the remittances were mostly done through underground financial networks. It is highly possible that the normalization process will pick up momentum once the Persian Gulf conflict is over.

In the last paragraph of the section on diplomacy, the party's report says Vietnam wants to contribute to making the United Nations truly serve the long-cherished objectives of peace, development and cooperation.

But this still leaves ambiguous Hanoi's position on the UN role in the Cambodian peace process, especially in administering Cambodia during a transition from a political settlement to general elections and formation of a new elected Cambodian government.

The report is still being revised for final submission to the upcoming 7th National Party Congress in June.

Daily Criticizes Asia-Pacific Economic Grouping

BK2002122191 Bangkok THAI RAT in Thai 20 Feb 91 p 3

[Editorial: "What Has Happened to ASEAN?"]

[Text] Malaysia intends to form a grouping of countries in Asia and the Pacific region that could emerge as the new combined market of Asia and the Pacific. With the awareness that Europe will become a complete single market next year; while in North America, the United States acts as a core in the formation of a tripartite combined market, which comprises the United States, Canada, and Mexico; it is feared that countries in Asia and the Pacific, especially the ASEAN [Association of Southeast Asian Nations] would suffer great disadvantages.

In order to prevent disadvantages and protectionism, Malaysia has therefore relentlessly sounded out opinions on every possible occasion on its proposal to set up a grouping of Asia and the Pacific countries. The objective of the grouping at the initial stage is to help each other in trade, while in the future there is a plan to make it a completely integrated market. According to Malaysia's proposal, with all the six ASEAN members countries acting as the core for the formation, the scope of the new combined market will cover the vast areas of China, Japan, and the Koreas. The market is also aimed to include countries all the way south to Australia.

Thailand is one country that Malaysia has lobbied hard to gain support. Since Dr. Athit Urairat has become the new foreign minister, he has often actively announced Thailand's stand in line with the ASEAN. On occasions, he has said he very much agrees and supports Malaysia's plan on the Asia-Pacific grouping. Time and again, he has reaffirmed such attitude during his visits to the ASEAN countries, despite the fact that it is rather too hasty for him to do so.

At the same time, it is noteworthy that the plan must have had been widely opposed both by countries in Asia and the other continents, although they have not fully reacted to it. That is why we have often heard Malaysia state that the United States envies the plan and does not want the grouping of Asia and the Pacific countries to be formed. It is also worthwhile noting that during Dr. Athit's latest visit to Indonesia recently, his Indonesian counterpart remarked that there should be a little more study for the plan to set up a grouping of the Asia-Pacific countries. The remark could be interpreted as a gentle refusal to the plan.

We think that Thailand should not become involved too hastily in this matter. One reason is that the scope of the market is too wide. Will the big countries, such as Japan, allow a small country to set guidelines for them? Big countries like Japan, China, and Australia have their own targets and they will have to protect their own benefits in every way. Instead of an overreaching approach, we should cohesively place greater importance on ASEAN than what we have done so far. After that, we could gradually expand the scope of the ASEAN to include Indochina and Burma.

The combined population of this region is more than 350 million people. It is undoubtedly quite a large market with Singapore as Asia's fourth Newly Industrializing Country [NIC], and either Thailand or Malaysia as Asia's fifth possible NIC in future. Any country that takes advantage of this region would end up as if it had committed suicide.

Work of Thai Medics in Saudi Arabia Noted

BK2102101991 Bangkok Domestic Service in English 0000 GMT 21 Feb 91

[Text] Public Health Minister Piyanat Watcharaphon reported to the cabinet this week that Thai medical teams sent to care for Thai workers in Saudi Arabia have boosted the morale of Thais caught in the Gulf war, and their work has been greatly appreciated. The first batch of Thai medical personnel led by Dr. Direk Na Thalang focused its attention of giving medical care to Thais in Riyadh and other temporary shelters put up in Hofuf and (?Wuda). Thousands of Thai workers have been attended to. Assistance has also been extended to other foreign workers in Saudi Arabia. The second medical team comprising specialists led by Professor Dr. Pradit Charoenthaithawi has been operating under the Saudi-Thai medical assistance project. Two teams have been dispatched to the King Khaled General Hospital in (?Hofo Al Batten) on the northern border and the Jebel General Hospital, both are in the danger zone. Thai specialists have been highly praised by the Saudi authorities for their professionalism and dedication.

BANGKOK POST Views Athit's Appointment

BK2102005991 Bangkok BANGKOK POST in English 21 Feb 91 p 5

[Text] The reasons for Gen Chatchai's decision to name Gen Athit Kamlang-ek Deputy Defence Minister vary, depending which side of the coin one looks at; but political and military sources agree on one thing: political tension will increase.

Military sources said that Gen Athit's appointment may have an impact on the Army itself, and this depends on what specific duties are assigned to him by the prime minister, who is concurrently defence minister. Other political sources said the appointment has longer term implications, particularly when a snap election is expected sometime between now and when the Government's term expires next year.

One Chat Thai Party source told the BANGKOK POST yesterday that the appointment—a well-kept secret which even surprised the military top brass— had been discussed earlier this week and was connected with the current controversy regarding investigations into the widely-publicised assassination plot.

Although no specific mention was made to the revival of the investigation and the subsequent controversy it raised, the source said Gen Chatchai supported the appointment after taking into consideration "current political developments" perceived as attempts to discredit—if not topple—the government.

Since the re-emergence of the assassination case—following the equally sudden transfer of Gen Sawaeng Thirasawat from the top police post and the "promotion" of Lt-Gen Bunchu Wangkhanon from Central Investigation Bureau [CIB] chief to Assistant Police Chief—the ante has been steadily increased.

As new senior police officers were to take over the case, the Supreme Command issued a statement warning that legal action would be taken against any attempt to alter the (previous) investigation report.

The controversy intensified when, despite orders to hand over the report to the new investigation team, Lt-Gen Bunchu ordered Assistant CIB chief Maj-Gen Rungrot Yamakakun against handing it over because the investigation was to be postponed, claiming that Supreme Commander Sunthon Khongsomphong had cleared the matter with Gen Chatchai.

Gen Sunthon himself admitted that he requested a postponement but appears not to have received the green light from Gen Chatchai.

Sources said that this latest move was viewed as being a challenge to the prime minister.

Gen Chatchai knows that appointments at the Defence Ministry are a highly sensitive issue as far as the military is concerned. Prior to the formation of the Chatchai II administration there were reports that Gen Athit had eyes on the top defence post.

The prime minister, realising the Army's concern, finally decided to assume the top post himself and not appoint a deputy although he had said privately to top political leaders in the past that if he experienced too much trouble from the military, Gen Athit's appointment to the top defence post would virtually put the cat among the pigeons.

Military sources concur that relations between Gen Athit on the one hand and the Class 5 officers and Gen Sunthon on the other have been far from smooth—a feeling which apparently dates back to the end of Gen Athit's term as Supreme Commander and Army chief in 1985-1986.

When Gen Athit was Army chief, his ties with former prime minister Gen Prem Tinsulanon soured. At this time Gen Prem had the solid backing of Gen Sunthon who was then commander of the Special Warfare Centre. Gen Prem eventually removed Gen Athit from the top Army post in May 1986.

One Opposition source likened Gen Athit's appointment to Gen Chatchai's "flipping open one of his many cards" for the Army to see—a signal that "this old soldier cannot be intimidated and is prepared to fight with his eyes closed no matter what the price."

One when asked prior to the Cabinet appointments regarding the defence post, Gen Sunthon said that the Army would give Gen Chatchai the freedom to select anyone acceptable to the military.

He said the Armed Forces would accept any person appointed by Royal Command. But whether the Armed Forces could work with that person was another matter, Gen Sunthon said. And this appears to be where things stand at present as far as the impact of Gen Athit's appointment is concerned.

On the surface it would be no surprise if Gen Chatchai, as defence minister, appointed a deputy to lessen the burden of overseeing the ministry. Even now, most of the work is carried out by the defence permanent secretary.

Political analysts agree that the military will remain comfortable as long politics does not interfere with military appointments and the crucial annual military reshuffle. Gen Chatchai has yet to decide exactly what duties Gen Athit will handle in his new post.

One analyst said Gen Athit's appointment is not the last card Gen Chatchai may play. He could go one step further, but that would certainly indicate dark storm clouds.

One senior military officer viewed yesterday's appointment as applying "pressure" on the military. Although the military top brass yesterday refused to comment on Gen Athit's appointment, the officer believed there will be some "resistance" from the Army. He did not elaborate.

Other sources view Gen Athit's appointment as having crucial implications for Chat Thai Party and the upcoming general elections, seen by many as a race basically between two camps: one led by the prime minister, and the other by New Aspiration Party leader Gen Chawalit Yongchaiyut.

Chat Thai and other political sources see Gen Athit's appointment as reinforcing long-standing speculation that the Puang Chon Thai leader will eventually join Chat Thai in the next general elections.

A senior Chat Chat Thai source said: "The issue has already been settled and he (Gen Athit) is now undertaking legal steps to dissolve his party and join us."

Political analysts said the appointment could be the icing on the cake toward a decision to join Chat Thai, adding that Gen Athit when he joins, is expected to play a crucial role in countering Gen Chatwalit's drive to obtain a political foothold in the Northeast.

Gen Athit already has a reasonably solid base in the region, having won 17 seats in Parliament in his first political foray in the last general elections. Gen Chawalit, on the other hand, is placing high hopes in the region in the next elections.

Military sources note that Gen Athit's appointment coincided with Gen Chatchai's decision to allow Muan Chon leader Chaloem Yubamrung to play a key role in the House Local Administration Committee's hearing of the 1982 assassination plot investigation scheduled for February 27. Gen Chatchai has agreed to let the House committee session be televised live—for the first time in Thai parliamentary history.

Opposition sources said the fact that Capt Chaloem will be the person to question senior government officials, including Lt-Gen Bunchu, Interior Minister Praman and the prime minister himself, indicates that ties between Gen Chatchai and Capt Chaloem remain streng.

Capt Chaloem is being allowed to play the same role he assumed when he criticised Gen Sunthorn over the mobile radio station incident, which developed into a controvery involving the Army that eventually led to demands that the Muan Chon leader be ousted from the Chatchai I Government.

Gen Chatchai's refusal to bow to military pressure and comply with what the Army perceived to be a "gentlemen's agreement" has strained ties ever since.

"There is no doubt that tension between the Army and the Government will heighten further from now on," commented one senior army general over yesterday's appointment.

"You can call this a confrontation if you wish, and this will further develop in the near future," said another military officer.

The question is: how destabilising will this confrontation be?

Vietnam

Gulf War Exceeds Security Council Resolution

BK2002142091 Hanoi International Service in English 1000 GMT 20 Feb 91

[Station commentary]

[Text] The Operation Desert Storm against Iraq being conducted by the United States and its allies has been under way for more than a month now. Although the bulk of the naval, air, and artillery forces with the most sophisticated war means have been mobilized, allied forces have so far failed to subdue Iraqi defense forces.

At the beginning of the operations, the U.S. and allied forces expected that their surprise air raids by night would destroy and weaken Iraqi forces in just a few days, the ground attacks would start to achieve their goal. Yet, their attempt at winning a quick victory has come to a failure. The U.S. defense secretary has to admit that despite massive allied bombing, Iraqi military strength was not very much affected and Iraq still maintains their potential of chemical weapons and Scud missiles.

Meanwhile, Iraq continually fired Scuds missiles on Saudi Arabia and Israel, puzzling Washington. The Pentagon had, on the one hand, to cope with Iraqi Scud missile attacks and, on the other, had to restrain Tel Aviv from expanding the war. The U.S. WALL STREET JOURNAL held that Iraq's attacks on Israel make it difficult for the U.S. to win a quick and easy victory in the Gulf war. Many papers said that Iraqi military strength remains almost unaffected. After more than one month of bombardment, the U.S. President had to declare continuation of air raids to prepare for ground attacks.

Developments of the war in the Gulf over the past month showed that the U.S.-led multinational forces have gone beyond Resolution 678 of the UN Security Council. The operation planners said their targets were defense facilities of Iraq while in reality they bombed and fired rockets all over Iraq and Kuwait. Children, women, and the aged have fallen victims to these raids. Worse still, allied aircraft bombed even sacred holy land of the Islam. In fact,

their aim of liberating Kuwait is being done by destroying Iraq militarily, economically, socially, even the people and environment of this nation and its neighbors. The press in the U.S. and the West even asserted Washington's intention to control this oil-rich are of the world. This attempt has been demonstrated in a latest plan of rearranging order in the Middle East after the war is over.

The war in the Gulf, which has inflicted widespread destruction on Iraq and neighboring countries, has touched off strong waves of protest from all continents. Right after the outbreak of the war on January 17, a big demonstration took place in front of the White House in protest against the war. Antiwar demonstrations continued in all of the major cities in the U.S. and in Western Europe. Millions of Arab people, especially the Islamic world, have volunteered to fight by the side of Iraq and denounced the multinational war of mass destruction.

In an effort to end the war, many countries has called on the two warring sides to exercise restraint and solve the crisis by peaceful means. The public is paying attention to the peace plan of India with consultation of Yugoslavia and support of the president of the Nonaligned Movement. This solution constitutes a package deal including Iraq's withdrawl from Kuwait, the warring side ending the hostilities and respecting Iraq's national sovereignty, convening a peace conference on West Asia sponsored by the United Nations aimed at seeking a solution to several problems in the region including the Palestinian question.

Meanwhile, diplomats from the Soviet Union, France, Yemen, Algeria, and Iraq flew to Tehran to discuss the war in the Gulf. On the whole, all proposed solutions focused on Iraq's withdrawal from Kuwait, allied forces' pullout from the Gulf, and an international conference to solve these problems. However, those diplomatic efforts have so far failed to achieve any result as both the U.S. and Iraq have turned down the proposals and are accelerating preparations for ground battle.

NHAN DAN Previews Post-Gulf War Needs

BK2102090991 Hanoi VNA in English 0707 GMT 21 Feb 91

[Text] Hanoi VNA Feb. 21—The Communist Party newspaper NHAN DAN here today says that the opportunity to end the Gulf war has just come to light and should not be missed.

It says that the Vietnamese people welcome positive signs demonstrated in the February 15 statement of the Iraqi Revolutionary Command Council and the Soviet peace plan, and are of the view that the Persian Gulf war is escalating to a dangerous stage and the time has come to timely stop it in the interest of peace and common security.

The paper goes on:

"It is clear that the Gulf war is being accelerated and expanded for objectives beyond the relevant resolutions of the United Nations Security Council. This makes it acceptable to all nations. The Vietnamese people hope that reason and judiciouness will be the basis for the important decisions relating to the destiny of peace and the future of nations.

"The Vietnamese people earnestly and urgently call on the concerned governments and the UN Security Council to actively look into the peace proposals put forth by various countries to find a solution that put an end to the Gulf war before it becomes a tragedy for mankind."

More Vietnamese Workers Return Home From Iraq

BK2002152291 Hanoi VNA in English 1454 GMT 20 Feb 91

[Text] Hanoi VNA Feb. 20—Four hundred and twenty eight Vietnamese workers in Iraq returned last night on board an Iranian airplane.

Most of these workers left Iraq for Iran on February 15, 1991. The flight from Iran to Ho Chi Minh City was coorganized by the French Government and the International Organization of Migration (IOM).

French Consul General to Ho Chi Minh City Claude Ambrosipi and representatives of IOM were present at the airport to greet the returnees. Seven hundred and seventy two more Vietnamese workers will return in Ho Chi Minh City on February 21 and 23, 1991 with the assistance of the French Government.

Earlier on Febraury 12 and 13, the French Government, in cooperation with IOM, helped in the transportation of 256 Vietnamese workers to Noi Bai airport from Iraq, among them 121 were nurses.

Joint Soviet Seafood Venture on Sakhalin Island

BK2002150691 Hanoi VNA in English 1452 GMT 20 Feb 91

[Text] Hanoi VNA Feb. 20—A sea-food cold-storage and processing system worth US dollars 3.5 million for the Soviet-Vietnamese sea-food joint venture (SEASAFICO) is being installed in the Soviet Far Eastern Sakhalin island by the Vietnamese refrigeration engineering company SEAPRODEX.

The system, built with technical materials produced by SEAPRODEX, includes three cold stores capable of keeping safe 2,100 tons of sea products, four freezing compartments, and water-pasteurising land sewage-treating facilities.

This project comes under a bilateral contract between SEASAFICO and SEAPRODEX and is expected to be completed in June 1991.

Foreign Companies Invest in Ho Chi Minh City

BK2102090591 Hanoi VNA in English 0711 GMT 21 Feb 91

[Text] Hanoi VNA Feb. 21—Since the promulgation of the law on investment in 1988, 101 foreign companies have had resident representatives and invested a combined capital of 400 million U.S. dollars in 150 projects in Ho Chi Minh City. Of them 53 are from Asia, 54 from

Western Europe, 15 from Australia and United States. Seven are specialized in banking, 14 in housing, seven in oil and gas.

- By mid Feb. 1991, the Nha Be ferrous alloy plant had produced 330 [metric] tons of ferrosilite worth more than 200,000 U.S. dollars for export to Japan.

Thanks to standard technology in selecting materials and using an appropriate quantity of fuel, ferrosilite of the plant is valued highly by Japan and other countries in Asia and the Pacific.

The plant has three ferrosilite furnaces, two of 2,000 kva [kilovolt ampere] and another of 1,000 kva. This year, it is expected to export more than 2,000 tons of ferrosilite.

- The Quy Nhon aquatic products processing factory in Binh Dinh Province, Central Vietnam, in last January, turned out 245,000 litres of fish sauce, up by 2.5 times over the same period last year.

The enterprise plans to turn out 1.5 million litres of fish sauce in 1991. Besides, it will broaden the processing of dried fish, fish meal and other products for export.

Labor Minister on New Economic Zone Relocation

BK2002120791 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 Feb 91

[Interview with Labor Minister Tran Dinh Hoan by unidentified correspondent on the policy of relocating people to new economic zones; date and place not given—live or recorded]

[Summary] [Correspondent] Could you tell us about the situation of people relocated to new economic zones in 1990?

[Tran Dinh Hoan] "Last year, we already reviewed the task of building new economic zones over the past 10 years and on this basis we formulated specific policies and measures to accelerate the task in years to come." Last year, the Dong Thap Muoi, Long Xuyen quadrangular zone and Western Song Hau zone could be considered the most active zones, and some of the northern provinces, particularly Quang Ninh, Thai Binh and Ha Nam Ninh Provinces, also achieved some encouraging results. In general, "we have achieved some 70 percent of the plan for relocating 100,000 workers and 240,000 people."

[Correspondent] Would you tell us the policies and measures to implement this task in 1991?

[Tran Dinh Hoan] As you all know, the arrangement of jobs for workers is one of the most important objectives in the socioeconomic development strategy and the relocation of people to build new economic zones is a very important attribute. "We have guided localities in establishing 53 projects including 23 projects already approved at the ministry and this year, we will be able to concentrate investments on 10 of the approved projects." This is an important measure to be adopted by us this year. Another point is that we must motivate people with funds, not only poor people, to go and build new economic zones. We have also suggested that the government unify guidance for building new economic zones. "In this spirit, we estimate that this year's plan will be equivalent to the 1990 plan for 100,000 workers and 240,000 people."

Australia

Minister Welcomes EC Compromise Proposal

BK2102065691 Melbourne Overseas Service in English 0500 GMT 21 Feb 91

[Text] The trade minister, Dr. Neil Blewett, has welcomed the reported agreement by the European Community on compromised proposal effecting its farm subsidies. He says this provides an opportunity for the stalled world trade talks to be resumed.

Dr. Blewett says there is a long battle ahead, but at least the position Australia has maintained throughout that the European Community and the United States have to agree on explicit commitments in these areas has been vindicated.

Tibet Council Urges Retention of China Sanctions

BK2102035491 Hong Kong AFP in English 0259 GMT 21 Feb 91

[Text] Melbourne, Australia, Feb 21 (AFP)—A group campaigning for human rights in China has expressed grave concern at moves by the Australian Government towards normalising relations with China.

The Australia Tibet Council said Wednesday that Foreign Minister Gareth Evans had badly assessed the situation in China if he believed the lifting of martial law in the Tibetan capital of Lhasa had improved human rights in the country.

The council's statement followed Mr. Evans announcement the government is considering lifting sanctions imposed against China following the 1989 military crackdown on pro-democracy protests in Beijing, citing what he described as marginal improvements in the human rights situation there over the past year.

Mr. Evans said among the improvements had been the lifting of martial law in Beijing and Lhasa and the more lenient than expected sentences imposed on "dissidents from the 1989 Beijing massacre period."

But despite an end to martial law, the council said the Chinese in Tibet continued to respond to even the mildest forms of protest with mass arrests, detention without trial and the torture of political prisoners.

The council president George Farley said his organisation had written to Mr. Evans Thursday, urging him to leave sanctions in place until there was some real evidence of improvements in the human rights situation in Tibet.

"It would be most unfortunate if, at this time when Australia is actively involved in a military action to liberate Kuwait, our government appeared to be condoning the appalling situation in occupied Tibet," he said.

Central Bank May Extend Supervision of System

BK2002071191 Hong Kong AFP in English 0629 GMT 20 Feb 91

[By Michael Collins]

[Text] Sydney, Feb 20 (AFP)—Australia's Central Bank may extend supervision of a banking system burdened with as much as 15 billion Australian dollars (12 billion U.S.) in non-performing loans and battered state banks.

Reserve Bank Governor Bernie Fraser has said the Central Bank's approach to supervision "is not static—adjustments have been made and will continue to be made where this is necessary."

Industry sources said Wednesday the Central Bank could take a more forceful role in supervising risk lending, auditing and bank subsidiaries.

Mr. Fraser's speech Tuesday came within a fortnight of a billion dollar (780 million U.S.) bailing out of the State Bank of South Australia, only six months after the federal government rescued the State Bank of Victoria, whose losses subsequently toppled the state premier.

Australia's four major banks, which control about 70 per cent of the 330 billion dollar (260 billion U.S.) financial system, have warned that the nation's recession and bad and doubtful debts would slash profits this year. Banks are on the defensive, trying to explain their actions during the 1980s when they threw money at now-collapsed entrepreneurs.

They have already written off substantial loans to Australia's high-flyers, who launched endless takeovers only to see their empires crumble after the 1987 stockmarket crash. Westpac Banking Corp., Australia's largest bank, set aside 1.2 billion dollars (940 million U.S.) to cover bad and doubtful debts for the year to September 30 1990, a tenfold increase in five years.

Falling interest rates in the past 12 months have eased pressure on hard-pressed customers but created another controversy for banks. Their apparent reluctance to speedily pass on lower interest rates to customers prompted Treasurer Paul Keating to order the present parliamentary inquiry into the banking system, a move which banks labelled "bank bashing."

Mr. Keating said in October a Reserve Bank study showed Australia's banks were raising margins, but refused to allow the inquiry the scope to study banks' profit rates. Banks now steer many of Australia's largest companies, including Rupert Murdoch's News Corp. and John Spalvins' Adelaide Steamship, which have renegotiated loans subject to asset sales.

The image of the banking sector has been eroded by revelations of less than scrupulous behaviour and other shady practices of senior management. The royal commission into Tricontinental, the merchant banking arm whose lending losses undermined the State Bank of Victoria, heard Wednesday the company secretary "negotiated with himself" to receive an annual salary of 200,000 dollars (157,000 U.S.).

Mr. Fraser said the main responsibility of the banking system rests with bank boards and management. He warned the Reserve Bank could take action "if experience were to reveal serious shortcomings in our present heavy

reliance on information provided by banks' management and external auditors." "We would have to give serious consideration to developing some in-house capacity to assess for ourselves the significance of potential problem loans and to make judgments about the adequacy of a bank's systems for managing risk," he told a seminar here.

Mr. Fraser said in the past year the central bank had focused on large lending exposures and the level of provisioning banks had made. He rejected measuring the Reserve Bank's monitoring performance by the level of bad and doubtful debts. "The bank's primary concerns are to preserve the stability of the financial system as a whole and to protect—but not guarantee—bank deposits."

There are no specific guarantees for any bank in Australia. The federal government gives an implicit guarantee for its own Commonwealth Bank of Australia. Commercial banks such as the big three—Westpac, the ANZ Banking Group and National Australia Bank—have to comply with federal regulations. State banks in practice comply with these regulations which ensure a risk weighted approach to capital adequacy.

Fiji

Cabinet Extends Counterterrorist Decree

BK2002083891 Hong Kong AFP in English 0756 GMT 20 Feb 91

[Text] Suva, Feb 20 (AFP)—The Fiji Cabinet agreed here Wednesday to extend indefinitely its ban on various public activities to counter the potential threat of terrorist activity as a result of the ongoing Gulf war. A Cabinet statement said the indefinite extension of its suppression of terrorism decree was due to the war and "its related escalation of terrorism activities worldwide."

Fiji authorities blocked several rallies and prayer meetings planned by Moslems here under the decree promulgated January 15. Moslems account for 7.8 per cent in this multiracial Pacific island state of 727,000 people. "The decree establishes a machinery for dealing with terrorism and provides for use of emergency powers when a terrorist emergency arises," the statement said. "It gives additional powers to the police to assist in any terrorist emergencies," it continued.

Sources said the government also feared retaliations by groups opposed to the 1,100 Fijian troops serving under the United Nations banner in the Sinai Desert and Lebanon.

1991 Economic, Industrial Outlook May Be Bleak

BK2102062991 Hong Kong AFP in English 0611 GMT 21 Feb 91

[By Davendra Sharma]

[Text] Suva, Feb 21 (AFP)—Fiji can expect a significant fall in foreign exchange earnings in 1991 from its three key sectors, officials warned Thursday. Industrial disputes, which delayed sugarcane harvesting last season, could cost the economy 70 million Fijian dollars ($49 million U.S.), while cutbacks are expected in garment exports and tourism, the principal source of foreign currency.

Economic problems are further compounded by the exodus of about 400 to 450 skilled and professional workers every month to Australia, New Zealand, the United States and Britain. Fiji Kisan Sangh, the largest sugar union, estimated Thursday the country stands to lose 70 million dollars in unharvested sugarcane in the 1990-91 season. "The cane leftover in the sugar belts would be in excess of 245,000 tonnes," said Sangh's treasurer Prem Chand.

The industry is suffering from a "late start, lengthy crushing season due to lower milling efficiencies, inadequate rolling stocks and unusual wet season," he said. Cuts in garment exports are anticipated in view of Canberra's decision Wednesday to reduce Fiji's export quotas and divert them to other South Pacific Forum island producers.

Australia took 45 percent of Fiji's 159.4 million dollars ($113 million U.S.) in garments exports in 1990. Restricted quotas following increasing demands by other island states could slash Suva's income drastically this year. "If Australia genuinely wants to help other (South Pacific states), why doesn't it increase the overall quota so that value and quantity of our exports remains?" Fiji's deputy trade and commerce secretary, Luke Rokovada, asked.

Fiji in the past was using one-third of the 300,000 garment unit quota allocated to the islands under a preferential deal with Canberra.

Tourism officials are also projecting a bad year because of rising airline costs, security concerns following the Gulf War and recessions in Australia and New Zealand, Fiji's main tourist sources. Stephen Brown, acting chief executive of national carrier Air Pacific, told a regional tourism meeting this week that Fiji would have to increase promotion in potentially bigger markets, such as Japan and North America, to cope with the decline in overall arrivals.

Mr. Brown said there was a possibility that Fiji could benefit from the downturn experienced in other parts of the world due to the Gulf war. The island republic can do that if it maintains "a reputation for safety and health," he said. The Fiji Visitors Bureau and the government's Department of Tourism project foreign arrivals to be well down on last year's record 273,000 visitors.

The Australian Embassy's first secretary for public affairs, Marsali Mackinnon, said Wednesday at least 2,200 predominantly ethnic Indian Fijians have been emigrating to Australia each year since the 1987 coups. Embassy statistics showed 2,859 specialists settled in Australia in 1987-88, 2,815 in 1988-89 and 2,227 in 1989-90.

New Zealand

Minister on Restored Intelligence From U.S.

BK2002055691 Hong Kong AFP in English 0516 GMT 20 Feb 91

[Text] Wellington, Feb 20 (AFP)—New Zealand is again receiving a limited flow of American military intelligence, Foreign Minister Don McKinnon said Wednesday.

Intelligence was cut off in 1986 when the previous Labour Government banned visits here of nuclear-powered or -armed warships, effectively ending the ANZUS (Australia, New Zealand and United States) military alliance.

A change of government and New Zealand's contribution to the coalition forces in the Gulf war of two military medical teams and two transport aircraft were responsible for the resumed intelligence, the minister said. Calling the resumption of intelligence links a "very good sign," Mr. McKinnon said the United States started passing on limited intelligence information about three weeks ago.

"Certainly as soon as we were involved in the Gulf ... We have been provided with a level of intelligence which we consider quite satisfactory," he said. He said the intelligence was confined to the Gulf war. However, he considered the relationship between Wellington and Washington had improved to an extent that "their willingness to impart this information is a very good sign".

The new National Party government of Prime Minister Jim Bolger, which took office last November, still officially supports the non- nuclear policy of its predecessor.

Papua New Guinea

Reportage on Situation, Deaths in Bougainville

BK1702133091 Hong Kong AFP in English 1107 GMT 17 Feb 91

[TExt] Sydney, Feb 17 (AFP)—A boatload of much-needed medical supplies left for Papua New Guinea's (PNG) Bougainville Island on Sunday, the first such shipment to head there in over 12 months, AUSTRALIAN ASSOCIATED PRESS (AAP) reported.

AAP said here that the MV Sankamap left Rabaul in Papua New Guinea's northeast to take medicine, fuel, food and other supplies to Bougainville, which was blockaded in May after the Bougainville Revolutionary Army (BRA) declared independence.

It follows the January 23 declaration of peace between the national government and Bougainville's militants, signed in the Solomon Islands capital Honiara, designed to resolve the two-year conflict.

Prime Minister Rabbie Namaliu farewelled the boat, only a day after he said he would officially protest to Australia over an Australian Television crew's trip to Bougainville without Port Moresby's permission.

Mr. Namaliu accused the Australian Government-owned Special Broadcasting Service (SBS) of unethical behaviour and also slammed recent reports published here about Bougainville. "The SBS exercise in entering the sovereign territory of independent PNG has only harmed the good relations we have with the media in Australia," Mr. Namaliu said in a statement released in Port Moresby on Saturday. "There are procedures to follow in regard to visits by overseas media to any country," he said.

He said PNG Foreign Minister Sir Michael Somare would also discuss the case with Australian Foreign Affairs and Trade Minister Gareth Evans in Canberra on Wednesday. Mr. Namaliu also criticised recent reports quoting Moses Havini, Bougainville's Australian-based representative, as saying up to 3,000 people could have died on Bougainville during the two year secessionist uprising. Port Moresby estimates the death toll at about 100.

Mr. Havini who toured Bougainville with the SBS crew, warned there was an alarming lack of action from the national government to start implementing the peace accord. According to Mr. Havini, malaria has become widespread, leprosy was re-emerging, women have died giving birth, and skin diseases like yaws and tropical ulcers were spreading on Bougainville.

Mr. Namaliu said the suggestion that 3,000 people had died on Bougainville was "ridiculous" and the government was doing everything in its power to honour the Honiara peace declaration. David White, executive producer of SBS' current affairs program dateline, confirmed a crew of three had spent a week on Bougainville with only the permission of the interim government of Bougainville. He said programs would be screened Monday and next Saturday outlining the plight of Bougainvilleans under the government's blockade including allegations by Bougainville doctors of the high death toll. "There is evidence to suggest that a large number of people have died unnecessarily," Mr. White said in an interview. "There are people on the program who talk of the death toll being as high as 3,000."

This is not the first time Port Moresby has been upset by visiting Australian reporters. In 1984 the PNG Government expelled Sean Dorney, correspondent for the government-owned Australia: Broadcasting Commission (ABC), after his current affairs program interviewed Irian Jayan rebel leader James Nyaro on Papua New Guinea soil.